

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

JOSEPH J. O'HARA,

PLAINTIFF

v.

KEITH A. RANIERE
A/K/A "VANGUARD"

And

NANCY SALZMAN
A/K/A "PREFECT"

And

KRISTIN KEEFFE

And

CLARE W. BRONFMAN

And

SARA R. BRONFMAN

And

EXECUTIVE SUCCESS PROGRAMS, INC.,
A NEVADA CORPORATION

And

FIRST PRINCIPLES INCORPORATED,
A DELAWARE CORPORATION

And

NXIVM CORPORATION
D/B/A EXECUTIVE SUCCESS PROGRAMS,

Civil Action No. _____

1:12 -CV- 0252
GLS/ATB

COMPLAINT

U.S. DISTRICT COURT
N.D. OF N.Y.
FILED

FEB 09 2012

LAWRENCE K. BAERMAN, CLERK
ALBANY

A DELAWARE CORPORATION)
)
And)
)
NXIVM CORPORATION,)
A NEW YORK CORPORATION)
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And)
)
NXIVM LLC,)
A NEW YORK LIMITED LIABILITYCOMPANY)
)
And)
)
NXIVM PROPERTIES LLC,)
A NEW YORK LIMITED LIABILITYCOMPANY)
)
And)
)
P. DAVID SOARES)
)
And)
)
ALBANY (NY) COUNTY)
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And)
)
PROSKAUER ROSE LLP)
)
And)
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SCOTT A. EGGERS)
)
And)
)
SCOTT HARSHBARGER)
)
And)
)
DOUGLAS C. RENNIE)
)
And)
)
PETER J. W. SHERWIN)
)
And)

**O'CONNELL & ARONOWITZ,
ATTORNEYS AT LAW**

And

STEPHEN R. COFFEY

And

JOSHUA E. McMAHON

And

PAMELA A. NICHOLS

And

ANDREW J. SAFRANKO

And

RICHARD H. WEISKOPF

And

DAMON MOREY LLP

And

BETH A. BIVONA

And

WILLIAM F. SAVINO

And

BERNARD SCHENKLER

And

GREGORY ZINI

And

BARTOLOMEI & ASSOCIATES PC)
)
And)
)
JOHN P. BARTOLOMEI)
)
And)
)
TO-BE-NAMED CORPORATIONS,)
LIMITED LIABILITY COMPANIES,)
NOT-FOR-PROFIT CORPORATIONS,)
PARTNERSHIPS, UNINCORPORATED)
BUSINESS ENTITIES, FOUNDATIONS,)
TRUSTS AND OTHER ENTITIES)
)
And)
)
TO-BE-NAMED NXIVM SENIOR COUNSELORS,)
NXIVM COUNSELORS, NXIVM SENIOR)
PROCTORS, NXIVM PROCTORS, NXIVM)
SENIOR COACHES AND NXIVM COACHES)
)
And)
)
TO-BE-NAMED LAW FIRMS AND INDIVIDUAL)
ATTORNEYS,)
)
DEFENDANTS)

Jurisdiction

1. This Court has jurisdiction under 28 U.S.C. §1331 with respect to the Plaintiff's claim that several of the Defendants have, based upon information and belief, engaged in a conspiratorial agreement and a conspiratorial scheme to injure him by intentionally violating his civil rights; by intentionally violating his constitutional right to privacy; by intentionally retaliating against him as a result of his "whistleblower" reports to various Federal and State agencies with respect to some of the tortious and/or illegal activities in which several of the Defendants have been and/or are engaged; by intentionally seeking to have criminal charges brought against him in various jurisdictions; by intentionally forcing him to expend funds and time defending himself against several baseless lawsuits and other legal actions and claims that collectively amount to an abuse the legal system; and by intentionally forcing him to expend funds and time when he has been subpoenaed as a non-party deponent in several lawsuits and other legal actions that the Defendants have initiated against other third parties.

2. This Court has jurisdiction under 28 U.S.C. §1331 with respect to the Plaintiff's claim that one or more of the Defendants has, based upon information and belief, intentionally violated his civil rights pursuant to 42 U.S.C. §1983 and §1985.
3. This Court has jurisdiction under 28 U.S.C. §1331 with respect to the Plaintiff's claim that one or more of the Defendants has, based upon information and belief, intentionally violated his constitutional right to privacy pursuant to the United States Constitution, Amendment I, Amendment III, Amendment IV, Amendment IX, and Amendment XIV.
4. This Court has jurisdiction under 28 U.S.C. §1331 with respect to the Plaintiff's claim that one or more of the Defendants has, based upon information and belief, intentionally retaliated against him as a result of his "whistleblower" reports to various Federal and State agencies with respect to some of the tortious and/or illegal activities in which several of the Defendants have been and/or are engaged.
5. This Court has jurisdiction under 28 U.S.C. §1338 with respect to the Plaintiff's claim that one or more of the Defendants has, based upon information and belief, intentionally infringed upon his right to copyright protection pursuant to *The Digital Millennium Copyright Act* (17 U.S.C. §1201-1205) with respect to e-mails that the Plaintiff authored – and that one or more of the Defendants illegally obtained copies of his private e-mails from one or more of the Plaintiff's Online Service Providers.
6. This Court has jurisdiction under 28 U.S.C. §1367(a) with respect to all of the Plaintiff's claims that arise under State law – including, but not necessarily limited to, (a) his claim that one or more of the Defendants has, based upon information and belief, intentionally inflicted emotional, financial, mental and/or physical distress on him; and (b) his claim that one or more of the Defendants has, upon information and belief, intentionally defamed him personally and professionally (Each of these claims is for more than \$75,000). With respect to these claims, this Court's jurisdiction is premised on 28 U.S.C. §1332 as regards those Defendants that reside outside of the State of New York – and on the rule of pendant jurisdiction as regards those Defendants that reside within the State of New York.
7. Venue is proper in this Court under 28 U.S.C. §§ 1391(b)(2) and 1391(c) because the vast majority of the events concerning the Plaintiff's claims in this action have occurred within this judicial district – and because all of the individual Defendants and all of Defendant corporations, limited liability companies, not-for-profit corporations, partnerships, unincorporated business entities, foundations, trusts, and other business entities have undertaken activities within this judicial district that are related to the Plaintiff's claims in this action.
8. The selected venue is the most convenient forum for the Plaintiff – and for the vast majority of the Defendants. In this regard, no other forum would be as convenient as the selected one.

Parties

9. The Plaintiff, Joseph J. O'Hara ("O'Hara"), is a citizen of the United States and a resident of the State of New York who resided within the geographic boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to his claims in this action.
10. Defendant Keith A. Raniere a/k/a "Vanguard" ("Raniere/Vanguard") is, based upon information and belief, a citizen of the United States who resided within and conducted business within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action – and who, upon information and belief, is the founder and *de facto* Chief Executive Officer of NXIVM Corporation d/b/a Executive Success Program ("NXIVM/ESP"). Prior to establishing NXIVM/ESP, Raniere/Vanguard had, based upon information and belief, established – and operated – Consumers Buyline, Inc. ("CBI"), a Multi-Level Marketing company that was investigated by twenty-three (23) State Attorneys General and two (2) Federal agencies and that was eventually closed down because it was deemed to be operating as a Ponzi scheme. Also based upon information and belief, Raniere/Vanguard and two (2) of his cohorts at CBI – i.e., Pamela A. Cafritz ("Cafritz") and Karen Unterreiner ("Unterreiner") – signed several "Consent Orders" in 1997 that required them to pay more than \$300,000 in fees and fines, including one that forbade them from ever engaging in any other Multi-Level Marketing operations in New York State¹.

Based upon information and belief, Raniere is the *de facto* Chief Executive Officer of NXIVM/ESP – and numerous other corporations, limited liability companies, not-for-profit corporations, partnerships, unincorporated business entities, foundations, trusts, and other business entities that, based upon information and belief, were established at his direction and/or for his benefit. Regardless of which individuals serve as the officers and/or directors of those various other entities, they are all, based upon information and belief, totally controlled by Raniere/Vanguard.

11. Defendant Nancy Salzman a/k/a "Prefect" ("Salzman/Prefect") is, based upon information and belief, a citizen of the United States who resided within – and, through her association with NXIVM/ESP, conducted business within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Salzman/Prefect is the putative President of NXIVM/ESP and several of the other corporations and limited liability companies that have been named as Defendants in this action.
12. Defendant Kristin Keeffe ("Keeffe") is, based upon information and belief, a citizen of the United States who resided within – and, through her association with NXIVM/ESP,

¹ See Exhibit 1 for a copy of the "Consent Order And Judgment" dated September 3, 1996 that was executed by Raniere/Vanguard, Cafritz and Unterreiner with respect to the State of New York.

conducted business within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Keffe serves as the so-called "Legal Liaison" of several of the corporations and limited liability companies that have been named as Defendants in this action – and, in that capacity, helps to coordinate and direct the activities of those entities' various attorneys. In addition, Keffe is, according to her own sworn statement, also an officer of NXIVM/ESP.

Based upon information and belief, Keffe also served as a Legal Intern within the Office of the Albany County District Attorney sometime during the period from October 1, 2006 through February 28, 2007. In conjunction with that position, Keffe was, based upon information and belief, allowed to access and to make copies of certain confidential information concerning the Plaintiff that had been obtained via the issuance of subpoenas by the Albany County District Attorney's office and/or by an Albany County Grand Jury – and, upon information and belief, subsequently shared copies of that information with members of the Proskauer Rose law firm, which, at that time, was representing NXIVM/ESP and various other parties in conjunction with a lawsuit that they had filed against the Plaintiff in August 2005 (Some of this confidential information was subsequently submitted in filings by the Proskauer Rose law firm in that lawsuit). Also based upon information and belief, Defendant Keffe drafted – and/or assisted in the drafting of – one or more documents that led to the indictment of the Plaintiff by an Albany County Grand Jury in March 2007².

13. Defendant Clare W. Bronfman ("Clare Bronfman") is, based upon information and belief, a citizen of the United States who resided within – and, through her association with NXIVM/ESP, conducted business within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Clare Bronfman serves as a member of NXIVM/ESP's Executive Committee – and, along with her sister, Sara R. Bronfman ("Sara Bronfman"), has provided the funding that has allowed NXIVM/ESP and other named and unnamed Defendants to engage in the tortious and/or illegal activities that are described herein (Defendant Clare Bronfman and Defendant Sara Bronfman are collectively referred to herein, on occasion, as "the Bronfman sisters").
14. Defendant Sara A. Bronfman ("Sara Bronfman") is, based upon information and belief, a citizen of the United States who resided within – and, through her association with NXIVM/ESP, conducted business within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief,

² This indictment was subsequently dismissed on June 19, 2007 by Albany County Court Judge Thomas Breslin who noted in his "Decision And Order" that the instructions that were given to the Grand Jury by the District Attorney's Office were "...so brief as to fail to provide appropriate legal instruction" – and "...inadequate to comply with the requirements of article 19 of the Criminal Procedure Law".

Sara Bronfman serves as a member of NXIVM/ESP's Executive Committee – and, along with her sister, Clare Bronfman, has provided the funding that has allowed NXIVM/ESP and other named and unnamed Defendants to engage in the tortious and/or illegal activities that are described herein.

15. Defendant Executive Success Programs, Inc. (“ESP Inc.”) is, based upon information and belief, a Nevada corporation that was incorporated on October 12, 2006; that conducted business within the geographic boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action; and that currently has its principal place of business located at 455 New Karner Road in Albany, NY 12205 (ESP Inc.'s FEIN is believed to be 65-1163732). According to records that are maintained by the New York State Secretary of State, it appears that this entity first registered to do business in New York State on May 6, 2002 – which, it should be noted, is more than four (4) years before it came into existence³.
16. Defendant First Principles Incorporated (“First Principles”) is, based upon information and belief, a Delaware corporation that was incorporated on February 9, 1999; that first registered to do business in New York State on May 17, 2011; that conducted business within the geographic boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action; and that currently has its principal place of business located at 455 New Karner Road in Albany, NY 12205 (First Principles' FEIN is believed to be 14-1816403). Also based upon information and belief, First Principles is also the company that is often described as the “patent holder” for the “Rational Inquiry Technology” that was supposedly created by Raniere/Vanguard and that is supposedly utilized by NXIVM/ESP even though the applicable patent application concerning that so-called “technology” was, in fact, rejected several years ago by the U.S. Patent and Trademark Office.
17. Defendant NXIVM Corporation d/b/a Executive Success Programs (“NXIVM/ESP”) is, based upon information and belief, a Delaware corporation that was incorporated on July 20, 1998 under the name Executive Success Programs, Inc.; that formally changed its name to NXIVM Corporation on or about January 23, 2002; that has conducted business under the assumed name of Executive Success Programs; that first registered to do business in New York State on February 19, 2004; that conducted business within the geographic boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action; and that currently has its principal place of business located at 455 New Karner Road in Albany, NY 12205 (NXIVM/ESP's FEIN is believed to be 14-1810926).
18. Defendant NXIVM Corporation (“NXIVM”) is, based upon information and belief, a New York State corporation that was incorporated on February 13, 2004; that conducted

³ See:

http://appext9.dos.ny.gov/corp_public/CORPSEARCH.ENTITY_INFORMATION?p_nameid=2788218&p_corpid=2763520&p_entity_name=Executive%20Success%20Programs%2C%20Inc%2E%20&p_name_type=%25&p_search_type=BEGINS&p_srch_results_page=0

business within the geographic boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action; and that currently has its principal place of business located at 345 Buffalo Avenue in Niagara Falls, NY 14303⁴.

19. Defendant NXIVM LLC ("NXIVM LLC") is, based upon information and belief, a New York State limited liability company that was formed on November 25, 2002; that conducted business within the geographic boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action; and that currently has its principal place of business located at 455 New Karner Road in Albany, NY 12205 (NXIVM LLC's FEIN is believed to be 16-1647152).
20. Defendant NXIVM Properties LLC ("NXIVM Properties") is, based upon information and belief, a New York State limited liability company that was formed on January 23, 2003; that conducted business within the geographic boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action; and that currently has its principal place of business located at 455 New Karner Road in Albany, NY 12205 (NXIVM Properties' FEIN is believed to be 57-1148503).
21. Defendant ESP, Inc., Defendant First Principles, Defendant NXIVM/ESP, Defendant NXIVM, Defendant NXIVM/LLC, and Defendant NXIVM Properties are collectively referred to herein, on occasion, as "the NXIVM/ESP-Related Business Entities". In this regard, it should be noted that the term "the NXIVM-Related Business Entities" may also include other corporations, limited liability companies, not-for-profit corporations, partnerships, unincorporated business entities, foundations, trusts, and other business entities that were established at the direction of and/or for the benefit of Ranieri/Vanguard – and that, regardless of how they are structured and regardless of who serves as their officers and directors, are controlled by him.
22. Defendant P. David Soares ("Soares") is currently the District Attorney for Albany County (NY) – and has been serving in that position since January 2005. Based upon information and belief, Soares approved the placement of Keffe as a Legal Intern within his office sometime during the period between October 1, 2006 and February 28, 2007 even though he was aware that she lacked the educational background and/or experience for that position. Also based upon information and belief, Soares approved the specific work assignments that Keffe undertook while she was serving as a Legal Intern in his office.
23. Defendant Albany County is, based upon information and belief, an administrative

⁴ In addition to the two above-referenced entities named "NXIVM Corporation" that were incorporated, respectively, in Delaware and New York State, there is at least one other entity with that same name. In this regard, an entity named NXIVM Corporation was incorporated in Puerto Rico on October 25, 2005 at the direction of Ranieri/Vanguard and Salzman/Prefect.

division of the State of New York – and a municipal corporation that has the power and fiscal capacity to provide various local governmental services within the State of New York. Based upon information and belief, Albany County was the employer of P. David Soares during the time period that is relevant to the Plaintiff's claims in this action.

24. Defendant Proskauer Rose LLP ("Proskauer Rose") is, based upon information and belief, a law firm that is located at 11 Times Square in New York City, NY 10036 – and that conducted business within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, the Proskauer Rose law firm represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
25. Defendant Scott A. Eggers ("Eggers") is, based upon information and belief, an attorney and a Senior Counsel in the Proskauer Rose law firm who is admitted to practice law in New York State – and who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Eggers represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
26. Defendant Scott Harshbarger ("Harshbarger") is, based upon information and belief, an attorney and a Senior Counsel in the Proskauer Rose law firm who is admitted to practice law in New York State – and who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Harshbarger represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein. In addition, Harshbarger, based upon information and belief, met on one or more occasions with James A. Murphy, III ("Murphy"), the District Attorney of Saratoga County (NY) during the time period that is relevant to the Plaintiff's claims in this action, in order to encourage Murphy to bring criminal charges against the Plaintiff⁵.

⁵ Although Murphy was apparently unwilling to bring criminal charges against the Plaintiff, he did, based upon information and belief, write a letter to P. David Soares, the District Attorney of Albany County (NY), and Terry J. Wilhelm, the District Attorney of Greene County (NY), which indicated that the Plaintiff may have committed criminals acts within their respective jurisdictions – and which encouraged them to undertake their own investigations of the Plaintiff. In this regard, it is uncertain what, if any, action(s) District Attorney Soares and/or District Attorney Wilhelm undertook in response to Murphy's letter.

27. Defendant Douglas C. Rennie (“Rennie”) is, based upon information and belief, an attorney and a current or former Member in the Proskauer Rose law firm who is admitted to practice law in New York State – and who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, Rennie represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
28. Defendant Peter J.W. Sherwin (“Sherwin”) is, based upon information and belief, an attorney and a Partner in the Proskauer Rose law firm who is admitted to practice law in New York State – and who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, Sherwin represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
29. Defendant O’Connell & Aronowitz/Attorneys at Law (“O’Connell & Aronowitz”) is, based upon information and belief, a law firm that is located at 54 State Street in Albany, NY 12207 – and that conducted business within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, the O’Connell & Aronowitz law firm represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
30. Defendant Stephen R. Coffey (“Coffey”) is, based upon information and belief, an attorney and a Member in the O’Connell & Aronowitz law firm who resided within – and who practiced law within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, Coffey represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein. In addition, Coffey has, based upon information and belief, actively participated in a scheme to have the Plaintiff indicted in Erie County

(NY) during the time period that is relevant to the Plaintiff's claims in this action⁶.

31. Defendant Joshua E. McMahon ("McMahon") is, based upon information and belief, an attorney and an Associate in the O'Connell & Aronowitz law firm who resided within – and who has practiced law within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, McMahon represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keefe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
32. Defendant Pamela A. Nichols ("Nichols") is, based upon information and belief, an attorney and a Member in the O'Connell & Aronowitz law firm who resided within – and who practiced law within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Nichols represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keefe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
33. Defendant Andrew R. Safranko ("Safranko") is, based upon information and belief, an attorney and a Member in the O'Connell & Aronowitz law firm who resided within – and who practiced law within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Safranko represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keefe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein. In addition, Safranko has, based upon information and belief, actively participated in a scheme to have the Plaintiff indicted in Erie County (NY).
34. Defendant Richard H. Weiskopf ("Weiskopf") is, based upon information and belief, an attorney and a Member in the O'Connell & Aronowitz law firm who resided within – and who practiced law within – the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Weiskopf represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keefe, the Bronfman sisters, and/or one or more of

⁶ See Exhibit 2 for a copy of a July 25, 2008 Memorandum from Stephen R. Coffey and Andrew R. Safranko to the Bronfman sisters wherein this scheme is detailed.

the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.

35. Damon Morey LLP (“Damon Morey”) is, based upon information and belief, a law firm that is located at 200 Delaware Avenue, Suite 200, in Buffalo, NY 14202– and that conducted business within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, the Damon Morey law firm represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
36. Defendant Beth A. Bivona (“Bivona”) is, based upon information and belief, an attorney and a Partner in the Damon Morey law firm who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, Bivona represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein..
37. Defendant William F. Savino (“Savino”) is, based upon information and belief, an attorney and a Partner in the Damon Morey law firm who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, Savino represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein..
38. Defendant Bernard Schenkler (“Schenkler”) is, based upon information and belief, an attorney and a Special Counsel in the Damon Morey law firm who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff’s claims in this action. Also based upon information and belief, Schenkler represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
39. Defendant Gregory Zini (“Zini”) is, based upon information and belief, an attorney and a

Partner in the Damon Morey law firm who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Zini represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.

40. Defendant Bartolomei & Associates PC (“Bartolomei & Associates”) is, based upon information and belief, a law firm that has an office located at 335 Buffalo Avenue in Niagara Falls, NY 14303 – and that conducted business within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Bartolomei & Associates represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein.
41. Defendant John P. Bartolomei (“Bartolomei”) is, based upon information and belief, an attorney and a Principal in the Bartolomei & Associates law firm who practiced law within the geographical boundaries of the United States District Court for the Northern District of New York during the time period that is relevant to the Plaintiff's claims in this action. Also based upon information and belief, Bartolomei represented one or more of the following entities during that same time period: Raniere/Vanguard, Salzman/Prefect, Keeffe, the Bronfman sisters, and/or one or more of the NXIVM/ESP-Related Business Entities – and assisted one or more of those Defendants and/or one or more other entity in carrying out some/all of the tortious and/or illegal activities are described herein. In addition, Bartolomei has, based upon information and belief, also used his judicial, legal, and/or political contacts in the Niagara Falls, NY area to discredit – and/or to cause harm to – the Plaintiff and/or other third parties⁷.
42. Plaintiff is currently unaware of the names and addresses of – and/or the officers and/or directors of – all of the other corporations, limited liability companies, not-for-profit corporations, partnerships, unincorporated business entities, foundations, trusts, and other business entities that may have participated in some/all of the tortious and/or illegal activities that are described herein⁸. In this regard, the Plaintiff reserves the right to

⁷ Upon information and belief, Defendant Bartolomei was retained by the Bronfman sisters in order to encourage various governmental entities to bring criminal charges against, *inter alia*, the Plaintiff, Frank Parlato, Jr., Yuri Plyam, and Rick Ross. In conjunction with his work for the Bronfman sisters, Bartolomei, upon information and belief, oversaw the activities of, *inter alia*, Steve Pigeon and Byron Georgiou – and worked with Defendant Savino on a variety of NXIVM/ESP-related matters.

⁸ See Exhibit 3 for a list of some of the other corporations, limited liability companies, not-for-profit corporations, partnerships, unincorporated business entities, foundations, trusts, and other business entities that may be related to NXIVM/ESP.

amend this Verified Complaint to include those other corporations, limited liability companies, not-for-profit corporations, partnerships, unincorporated business entities, foundations, trusts, and other business entities as that information becomes available during the discovery process in this lawsuit.

43. Plaintiff is currently unaware of the names, addresses and/or involvement of all of the other individuals who may have participated in some/all of the tortious and/or illegal activities that are described herein – and/or who may have benefitted financially from the operations of one or more of the NXIVM-Related Business Entities⁹. In this regard, the Plaintiff reserves the right to amend this Verified Complaint to include those other individuals as that information becomes available during the discovery process in this lawsuit.
44. Plaintiff is currently unaware of the names, addresses and/or involvement of all of the other law firms and attorneys that may have assisted one or more of the Defendants – and/or one or more other entity – in carrying out some/all of the tortious and/or illegal activities are described herein. In this regard, the Plaintiff reserves the right to amend this Verified Complaint to include those other law firms and attorneys as that information becomes available during the discovery process in this lawsuit.

Facts & General Allegations

RE: The NXIVM/ESP-Related Business Entities

45. Notwithstanding the fact that the NXIVM/ESP-Related Business Entities have been structured as independent corporations and limited liability companies, they are all, based upon information and belief, controlled, *in toto*, by Ranieri/Vanguard even though he has no acknowledged ownership interest in – and no formal position of authority in – any of those entities. As a result, the “corporate veil” – or, in the case of non-corporations, the legal equivalent of the “corporate veil” – should be pierced for each of these entities.
46. All of the NXIVM/ESP-Related Business Entities – and some of the other Defendants – are, based upon information and belief, financially dependent upon the Bronfman sisters for their existence¹⁰. As a result, the Bronfman sisters should be held personally accountable and financially liable for all of the tortious and/or illegal activities which were undertaken by the NXIVM/ESP Business Entities and/or by any of the other

⁹ See Exhibit 4 for a list of some of the other individuals who may have participated in tortious and/or illegal activities described herein – and/or who may have benefitted financially from the operations of NXIVM/ESP and/or other NXIVM-Related Business Entities.

¹⁰ Based upon information and belief, the Bronfman sisters have jointly contributed more than One Hundred Fifty Million Dollars (\$150,000,000) of their personal funds in order to support Ranieri/Vanguard, Salzman/Prefect, Keefe, other NXIVM/ESP-related individuals, and the NXIVM/ESP-Related Business Entities. Although much of this funding has been labeled as “loans” for accounting and tax purposes, there is, in fact, no reasonable expectation that any of these funds will ever be repaid – and, as a result, all of it should be treated as taxable income with respect to the entities that received same.

financially dependent Defendants – and of which they were aware – during the time period that is relevant to the Plaintiff's claims in this action.

47. Based upon information and belief, the NXIVM/ESP-Related Business entities are part of a complex and conspiratorial scheme and agreement that involves a variety of tortious and/or illegal activities¹¹. Also based upon information and belief, these activities include, but are not necessarily limited to, the following: the tortious activities concerning the Plaintiff – and other third parties – that are described herein; bank fraud; bribery; business fraud and theft; charities fraud; conspiracy; corruption and/or attempted corruption of public officials; endangering the welfare of a child; filing false instruments; insurance fraud; violations of Federal and State campaign finance statutes and regulations; immigration fraud; labor fraud; mail fraud; money laundering; obstruction of justice; perjury; structuring; tax evasion; tax fraud; theft of services; and wire fraud.
48. Based upon information and belief, the NXIVM/ESP-Related Business Entities also do not issue W-2 Forms and/or 1099 Forms with respect to the various commissions and salaries that they pay to their respective staff – and/or with respect to the various non-business related expenditures that they make on behalf of Raniere/Vanguard, Salzman/Prefect, Keffe, and other members of NXIVM/ESP. When the Plaintiff informed Raniere/Vanguard and Salzman/Prefect about the need for NXIVM/ESP to issue such forms, he was told that NXIVM/ESP would correct this error on a going forward basis – and that it would, thereafter, also correct this error for prior time periods.
49. NXIVM/ESP is, based upon information and belief, structured as a Multi-Level Marketing company and operated as a Ponzi scheme. In this regard, Raniere/Vanguard is specifically barred from being involved in this type of business structure in New York State – which is why his name appears on few, if any, documents concerning NXIVM/ESP and/or any of the other entities that are part of the NXIVM/ESP-Related Business Entities.
50. Based upon information and belief, NXIVM/ESP and some of the other Defendants have undertaken numerous lawsuits and other legal actions that were intended to silence the Plaintiff and other individuals who have been critical of – and/or who have important documents and/or information concerning – the company's operations and/or Raniere/Vanguard's debauched lifestyle¹². In addition to the Plaintiff, those individuals who have been sued by NXIVM/ESP – and/or by one or more of the other Defendants – in order to silence them – include, but are not necessarily limited to, the following:

¹¹ Although it is believed that the NXIVM/ESP-Related Business Entities and some of the other named Defendants are engaged in a "criminal enterprise" as that term is defined in New York Penal Law 460.10 (3) – and constitute an "ongoing criminal organization" as that term is defined in the Racketeer Influence and Corrupt Organization (RICO) Act – the Plaintiff has chosen not to assert a civil cause-of-action under those statutes at this point in time. In this regard, however, the Plaintiff reserves the right to add such causes-of-action if information that becomes available during the course of discovery in this lawsuit warrants such additions – and/or to cooperate with the Office of the New York State Attorney General should it choose to initiate a cause-of-action against one or more of the NXIVM-Related Business Entities and/or some of the other Defendants pursuant to 18 U.S.C. §1964 (b).

¹² See Exhibit 5 for a partial list of these lawsuits and other legal actions.

Barbara J. Bouchey; Susan F. Dones; Stephanie Franco; Anna Logvin; Paul Martin; Toni F. Natalie; Frank Parlato, Jr.; Mikhail Plyam; Natalia Plyam; Yuri Plyam; Rick Ross; Morris Sutton; Rochelle Sutton; and Kim M. Woolhouse.

51. Based upon information and belief, NXIVM/ESP and some of the other Defendants have sought to have criminal charges brought against the Plaintiff and other individuals in an attempt to discredit them – and to cause them personal harm. In addition to the Plaintiff, those individuals who have been subjected to this type of legal harassment include, but are not necessarily limited to, the following: Barbara J. Bouchey; Toni F. Natalie; Frank Parlato, Jr.; Yuri Plyam; and Rick Ross.
52. Based upon information and belief, NXIVM/ESP and some of the other Defendants have employed, directly and indirectly, a variety of political consultants and lobbyists in conjunction with their efforts to cause harm to the Plaintiff and other third parties. Also based upon information and belief, these political consultants and lobbyists have included, but are not necessarily limited to, the following: John P. Bartolomei/Bartolomei & Associates PC; Steven M. Boggess/Featherstonehaugh, Wiley & Clyne LLP; Alphonse D'Amato, Chris D'Amato and Joel Giambra/Park Strategies; Byron Georgiou/Georgiou Enterprises; Richard Mays/Maybeck, Inc.; Robert McLarty and Paul Neville/The Markham Group; Steve Pigeon/Underberg & Kessler LLP; and Roger J. Stone/STONEzone.com.

RE: Plaintiff's Association With NXIVM/ESP

53. On September 17, 2003, the Plaintiff was contacted by Dee Dee Mitzen ("Mitzen"), a social acquaintance who asked him to meet with her and Salzman in order to discuss several issues concerning NXIVM/ESP. Later that same day, the Plaintiff met with Mitzen and Salzman – and learned that some of the issues that were of particular concern to the company included its pending lawsuit against Rick Ross and other parties; its generally unfavorable reputation with members of the local business communities; the potential negative impact of several articles concerning the company that had already been published by the media – and the potential negative impact of several other articles that were being prepared for publication; and a variety of matters concerning the company's day-to-day operations (e.g., staff-related issues; tax-related issues; zoning-related issues concerning the company's proposed new headquarters in Malta, NY; etc.).
54. At the time that the Plaintiff first met with Mitzen and Salzman, he was unaware that NXIVM/ESP was considered by some professionals to be a cult; that it is, based upon information and belief, structured as a Multi-Level Marketing company that functions as a Ponzi scheme; and that it and its leaders are engaged in a variety of tortious and/or illegal activities. In this regard, the Plaintiff did not become aware of many of these aspects about NXIVM/ESP and its leaders until near the end of the fifteen (15) month period of time during which he provided technical assistance and consultative services to NXIVM/ESP.
55. Following the meeting on September 17, 2003 – and following several subsequent telephonic discussions with Raniere/Vanguard – the Plaintiff drafted a summary of the

technical assistance and consultative services that he would be able to provide to NXIVM/ESP. Thereafter, following additional telephonic discussions with Ranieri/Vanguard – and a meeting with Ranieri/Vanguard and Salzman/Prefect to review and revise the Plaintiff's aforementioned summary – the Plaintiff drafted a "Professional Services Agreement" that detailed the technical assistance and consultative services that he would provide on behalf of NXIVM/ESP and the compensation that he would receive for same. Thereafter, the Plaintiff forwarded that document to Ranieri/Vanguard and Salzman/Prefect¹³.

56. As set forth in the above-referenced "Professional Services Agreement", the Plaintiff agreed to do the following on behalf of NXIVM/ESP:

- (a) Provide – and/or help NXIVM/ESP to obtain – technical assistance and consultative services that would allow the company to resolve various issues concerning its business operations in New York State;
- (b) Provide – and/or help NXIVM/ESP to obtain – technical assistance and consultative services that would allow the company to resolve various issues concerning its business operations in other States;
- (c) Provide – and/or help NXIVM/ESP to obtain – technical assistance and consultative services that would allow the company to undertake a multi-faceted Public Relations Campaign in New York State and other States;
- (d) Help to coordinate the work of the various attorneys who were providing legal services to the company – and/or help to identify other appropriate attorneys who could provide other legal services if/as the need arose for same¹⁴; and
- (e) Provide other technical assistance and/or consultative services to NXIVM/ESP on an "as needed/as requested" basis.

57. The Plaintiff began providing technical assistance and consultative services to NXIVM/ESP on or about October 1, 2003. In conjunction with this work, the Plaintiff identified a variety of companies and individuals that could provide various services to NXIVM/ESP – and directly undertook a variety of assignments that he was given by Ranieri/Vanguard and Salzman/Prefect.

58. In the Spring of 2004, the Plaintiff was seeking to find Two Million Dollars (\$2,000,000) of financing for two (2) potential business projects that he wished to undertake: i.e., the acquisition of a Florida-based company that provided Medicaid claiming services to school districts in that State – and the development of a combination vineyard/winery and

¹³ Although the Plaintiff executed two (2) *originals* of this "Professional Services Agreement" and sent both of them to Salzman/Prefect for her signature, NXIVM/ESP has claimed that she never executed the documents. In this regard, however, it should be noted that both parties proceeded to operate in accordance with the terms and conditions that were set forth in this "Professional Services Agreement".

¹⁴ Although NXIVM/ESP would later claim that the Plaintiff provided legal services to the company from October 1, 2003 onward, it should be noted that this original "Professional Services Agreement" specifically stated that "...it is mutually understood and agreed that the Consultant will not provide any direct legal services to the (company)". In addition, it should also be noted that the Plaintiff did not maintain an active law practice during the period of time after he moved from Washington, DC in February 1983 until he re-established such a practice there in mid-2004.

condominium project. When the Plaintiff mentioned these potential projects during the course of one of his meetings with Raniere/Vanguard, Raniere/Vanguard immediately offered to arrange for all of the required financing to be provided by the Bronfman sisters, provided that the Plaintiff would (a) re-establish his former law practice in Washington, DC¹⁵; and (b) alter the terms of his “Professional Services Agreement” with NXIVM/ESP so as to eliminate any fees for his future services.

59. Based upon Raniere/Vanguard’s representations, the Plaintiff proceeded to execute contractual agreements with the owner of the above-referenced Florida-based company – and with the owners of approximately 235 acres of land in New Baltimore, NY. Thereafter, utilizing the \$2,000,000 of funds that he borrowed from the Bronfman sisters, the Plaintiff proceeded to acquire the Florida-based company and the 235 acres of land – and to pay for some of the start-up costs concerning the above-referenced projects.
60. Per Raniere/Vanguard’s instructions, the Plaintiff drafted a new “Professional Services Agreement” that was intended to replace the one that he had entered into with NXIVM/ESP as of October 1, 2003 (The effective date of the new “Professional Services Agreement” was of July 1, 2004). In conjunction with this new contractual agreement, the Plaintiff ceased to collect any fees for the technical assistance and consultative services that he provided to NXIVM/ESP as of July 1, 2004 (All the Plaintiff collected from NXIVM/ESP after July 1, 2004 were reimbursements for out-of-pocket expenses that he had incurred on behalf of the company).
61. Over the course of the fifteen (15) months that the Plaintiff provided technical assistance and consultative services to NXIVM/ESP, he became aware that the company, Raniere/Vanguard, Salzman/Prefect and other members of NXIVM/ESP were engaged in a variety of inappropriate and potentially illegal activities. This awareness occurred gradually over the course of the fifteen months – and each time that the Plaintiff raised questions about such an activity to Raniere/Vanguard and/or Salzman/Prefect, he was told that they were unaware of the activity in question and assured that the activity in question would cease¹⁶.
62. On or about November 24, 2004, the Plaintiff inadvertently received a “Status Report” from Interfor, Inc. (“Interfor”) concerning an individual named Rick Ross (“Ross”)¹⁷.

¹⁵ In conjunction with the new “Professional Services Agreement”, the Plaintiff informed Raniere/Vanguard and Salzman/Prefect that the only communications between them that would be protected by the attorney/client privilege were ones that took place in Washington, DC, where he was licensed to practice law and where he maintained a law office. In this regard, the Plaintiff did meet, on at least one occasion, with Salzman/Prefect at his law office in Washington, DC.

¹⁶ One example of these tortious and/or illegal activities concerns a commodities trading account that had been set up with REFCO in Nancy Salzman’s name – and that had sustained more than \$5,000,000 of losses by March 2004 as a result of trades that had been made by Raniere/Vanguard. Because Salzman/Prefect did not have enough “capital gains” to utilize the \$5,000,000 of capital losses in the REFCO account, Raniere/Vanguard decided that the name on the REFCO account should be changed, on a retroactive basis, to the name of First Principles, Inc.

¹⁷ NXIVM/ESP had decided to hire Interfor, a private investigations firm, to undertake a confidential investigation of Ross – and to set up a “sting operation” that was intended to convince Ross that he should cease being a critic of

Upon reading the report, the Plaintiff concluded that it contained information that could not have been legally obtained without an appropriate Court Order or subpoena – and immediately informed Raniere/Vanguard and Salzman/Prefect that they needed to cease and desist from any further participation in the gathering of such information about Ross and/or anyone else. Thereafter, the Plaintiff was assured that the information in question had been obtained without the knowledge of Raniere/Vanguard or Salzman/Prefect – and that appropriate steps would be taken to ensure that no such information was ever obtained in the future.

63. Shortly after receiving a copy of the above-referenced “Status Report”, the Plaintiff also received several FedEx packages from Interfor. Upon looking at the contents of the first of these packages, the Plaintiff concluded that they were most likely items that had been retrieved from Ross’ trash (e.g., coffee-stained receipts; crumpled credit card statements and phone bills; etc.). When he informed Keefe about these packages, she instructed him not to open any more of them – and she appeared at his office later that day to retrieve all of the FedEx boxes that had already arrived.
64. Notwithstanding the ongoing assurances that he received from Raniere/Vanguard and Salzman/Prefect, the Plaintiff concluded that they – and NXIVM/ESP – were continuing to engage in activities that the Plaintiff thought were inappropriate and/or potentially illegal. As a result, the Plaintiff decided to terminate his relationship with the company in early January 2005.
65. Soon after the Plaintiff informed Raniere/Vanguard and Salzman/Prefect that he was no longer going to provide technical assistance and consultative services to NXIVM/ESP, he began receiving e-mails and telephone calls from Salzman/Prefect wherein she indicated that she and Raniere/Vanguard both wanted him to continue working for NXIVM/ESP. Thereafter, when the Plaintiff met with Salzman/Prefect to discuss his reasons for terminating his relationship with NXIVM/ESP, she attempted to convince the Plaintiff that he should resume working for the company. When the Plaintiff indicated that he had no interest in renewing his relationship with NXIVM/ESP, Salzman/Prefect outlined what might happen to him if he did not change his mind: i.e., he may be sued; he may get indicted; he may get disbarred; etc.
66. When the Plaintiff did not respond to Salzman/Prefect’s threats, he was contacted by Richard L. Mays (“Mays”), a lobbyist/politico that NXIVM/ESP had originally hired to address some of the unresolved issues concerning Raniere/Vanguard’s CBI Multi-Level Marketing/Ponzi scheme operation in Arkansas¹⁸. Thereafter, Mays informed the

NXIVM/ESP and Raniere/Vanguard. Because, however, Interfor would not enter into a contractual agreement directly with NXIVM/ESP, it was the Plaintiff’s law firm that hired Interfor (As directed to do so by Raniere/Vanguard, the Plaintiff immediately designated Keefe as his law firm’s sole point-of-contact with Interfor – and, except for receiving and paying Interfor’s invoices, the Plaintiff had little, if any, contact with Interfor and its staff after they started undertaking assignments for NXIVM/ESP).

¹⁸ The Plaintiff had prior business dealings with Mays – and knew that he claimed to be a “close friend” of former President William Clinton and current Secretary of State Hillary Clinton. In this regard, it was the Plaintiff who originally introduced Mays to Raniere/Vanguard and Salzman/Prefect – and who suggested that NXIVM/ESP

Plaintiff that NXIVM/ESP was preparing to initiate a lawsuit against him – and read some passages from what he claimed was a draft of the applicable Complaint to the Plaintiff.

67. In August 2005, NXIVM/ESP – and several of its members – initiated a lawsuit against the Plaintiff in the U.S. District Court for the Northern District of New York (Case No. 1:05-CV-1546). Thereafter, when NXIVM/ESP's request for a Temporary Restraining Order (TRO) and several other extraordinary relief measures was denied by that Court, NXIVM/ESP immediately withdrew that lawsuit – and re-filed it in New York State Supreme Court in New York City, NY (Based upon information and belief, the original lawsuit was withdrawn – and the new one was filed – less than thirty (30) minutes after NXIVM/ESP's request for the TRO and other extraordinary relief was denied).
68. NXIVM/ESP's lawsuit against the Plaintiff included what has since become “standard litigation tactics” for almost all of the lawsuits that it – and other Defendants – file. These tactics include, but are not necessarily limited to, the following:
- (a) Multiple causes-of-action;
 - (b) Onerous and duplicative demands for documents and records;
 - (c) Extensive motion practice;
 - (d) Complaints filed with licensing authorities;
 - (e) Attempts to have criminal charges brought against the opposing party;
 - (f) Refusal to produce documents and records;
 - (g) Refusal to produce witnesses;
 - (h) Perjured testimony;
 - (i) One or more requests for substitution of counsel;
 - (j) One or more requests for a change of venue;
 - (k) Witness intimidation; and
 - (l) Co-mingling of cases: e.g., using discovery in one case to obtain evidence and information for use in other cases.
69. Sometime after it initiated the above-referenced lawsuit against the Plaintiff, NXIVM/ESP sought to have the Plaintiff indicted in Albany County (NY). In conjunction with this effort, NXIVM/ESP made arrangements for Keeffe to be placed in the Office of the Albany County District Attorney as an unpaid Legal Intern.
70. Despite the fact that she was, based upon information and belief, not qualified to serve as a Legal Intern in the Office of the Albany County District Attorney, Keeffe worked there with little, if any, supervision – and was given privileges that normally would be limited to senior staff: e.g., she was assigned her own desk and workspace; she was given her own Xerox Key; etc. In addition, Keeffe was, upon information and belief, allowed to undertake a variety of legal-related activities – including, but not limited to, the drafting of subpoenas for documents and records concerning the Plaintiff and the preparation of exhibits for the then-sitting Albany County Grand Jury.

consider hiring him in order to help resolve several outstanding matters concerning Raniere's former business operations in the State of Arkansas.

71. Based upon information and belief, Keffe copied some/all of the documents and records concerning the Plaintiff that were obtained via subpoenas that were issued by the Office of the Albany County District Attorney or the then-sitting Albany County Grand Jury. Thereafter, Keffe, based upon information and belief, provided copies of some/all of those documents and records to one or more members of the Proskauer Rose law firm, which, at that time, was representing NXIVM/ESP in conjunction with its lawsuit against the Plaintiff. Also based upon information and belief, the specific Proskauer Rose attorneys who were involved in this matter include one or more of the following: Defendant Eggers, Defendant Harshbarger, Defendant Rennie, and/or Defendant Sherwin.
72. Upon receiving copies of the documents and records that Keffe had copied while she was working in the Office of the Albany County District Attorney, the Proskauer law firm, based upon information and belief, immediately introduced some/all of them as exhibits in NXIVM's above-referenced lawsuit against the Plaintiff. This specifically included, but may not have been limited to, documents and records concerning one or more of the Plaintiff's then-existing bank accounts.

RE: Harassment and Intimidation of the Plaintiff

73. Based upon information and belief, NXIVM/ESP and/or other Defendants hired Frank Parlato, Jr. ("Parlato") to develop a "negative publicity campaign" in order to malign the Plaintiff's reputation in the Albany, NY area (This "negative publicity campaign" included billboard advertisements – and a "story" concerning the Plaintiff that was to be distributed to all of the homes in the Albany, NY area). In addition, NXIVM/ESP and/or other Defendants also convinced James A. Murphy III ("Murphy"), the Saratoga County District Attorney, to send a letter to P. David Soares, the Albany County (NY) District Attorney, and Terry Wilhelm, the Greene County (NY) District Attorney, wherein Murphy encouraged them to undertake criminal investigations concerning the Plaintiff.
74. Based upon information and belief, NXIVM/ESP and/or other Defendants also undertook a variety of activities that were intended to harass and/or intimidate the Plaintiff. These activities included, but were not necessarily limited to, the following:
- (a) Filing fictitious change-of-address cards for him with the U.S. Post Office;
 - (b) Cutting the telephone line – and the cable television line – at the Plaintiff's former residences;
 - (c) Paint spraying the phrase "*You will die in 7 days*" at a construction site on the Plaintiff's property in New Baltimore, NY;
 - (d) Filing a false complaint against the Plaintiff with the District of Columbia Bar;
 - (e) Attempting to have the Plaintiff indicted in several jurisdictions; and
 - (f) Filing Adversary Proceedings in the Plaintiff's bankruptcy case (Note: That bankruptcy case has been pending for more than forty-three (43) months – and has cost the Plaintiff more than \$50,000 of legal fees and expenses).

RE: Plaintiff's Whistleblower-Related Activities

75. Over the course of the past seven (7) years, the Plaintiff has filed reports with various

Federal and State agencies concerning some of the inappropriate and/or potentially illegal activities of NXIVM/ESP, Raniere/Vanguard, Salzman/Prefect, Keeffe, and other NXIVM/ESP-related individuals and NXIVM/ESP-related entities. During this same period of time, the Plaintiff has also met with representatives from several Federal and State law enforcement agencies – and turned over numerous documents to them with respect to NXIVM/ESP, Raniere/Vanguard, Salzman/Prefect, Keeffe, and other NXIVM/ESP-related individuals and NXIVM/ESP-related entities. Based upon information and belief, the Plaintiff has concluded that NXIVM/ESP, Raniere/Vanguard, Salzman/Prefect, Keeffe, and/or one or more of the other Defendants are aware of the Plaintiff's contacts with various Federal and State agencies and agents – and that they have undertaken a campaign to discredit the Plaintiff's credibility with those agencies and agents.

76. The Plaintiff is entitled to “whistleblower” status with respect to the various reports that he has made to – and the various documents and records that he has turned over to – Federal and State agencies concerning the inappropriate and/or potentially illegal activities of NXIVM/ESP, Raniere/Vanguard, Salzman/Prefect, Keeffe, and other NXIVM/ESP-related individuals and NXIVM/ESP-related entities. In this regard, the attempts on the part of NXIVM/ESP and/or one or more of the other Defendants to punish the Plaintiff for his “whistleblower” activities are in direct violation of the applicable Federal and State laws concerning such reports.

RE: Plaintiff's Private E-Mails

77. In conjunction with an adversary proceeding action that it had filed in the then-pending bankruptcies of Susan F. Dones and Kim M. Woolhouse, NXIVM/ESP sought to compel the Plaintiff to submit to a deposition. Thereafter, when the Plaintiff obtained a ruling from the presiding judge in the bankruptcy case that he did not have to subject himself to such a deposition, NXIVM/ESP and/or one or more of the other Defendants illegally obtained copies of the Plaintiff's private e-mails that had been stored on the servers of at least one of his Online Service Providers.
78. Based upon information and belief, NXIVM/ESP and/or one or more of the other Defendants obtained copies of the Plaintiff's e-mails from Accelify LLC (“Accelify”) and/or Yael Goldenberg a/k/a Jack Goldenberg, the putative owner of Accelify, for an unknown amount of money. In addition to violating the Plaintiff's common law rights with respect to the copyright protection that the authors of all e-mails are entitled to, this transaction also violated the Plaintiff's rights with respect to *The Digital Millennium Copyright Act* (17 U.S.C. §1201-1205) – and may have constituted the purchase of stolen property.

FIRST CAUSE OF ACTION

For Monetary Damages Related to Defendants' Participation in a Civil Conspiracy to Cause Harm to the Plaintiff

79. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 78 herein as though they were set forth here – and, by

this reference, makes them a part hereof this cause of action.

80. Based upon information and belief, various Defendants have conspired and engaged in a conspiratorial agreement and scheme to injure the Plaintiff by violating his civil rights; by violating his constitutional right to privacy; by retaliating against him because of the fact that he made “whistleblower reports” to several Federal and State agencies regarding some of the inappropriate and/or potentially illegal activities in which various Defendants have been and/or are engaged; by infringing upon his common law copyright protection and the protections that are afforded to him per *The Digital Millennium Copyright Act* (17 U.S.C. §1201-1205); by inflicting severe emotional, financial, mental, and physical harm on him; and by defaming him.
81. Based upon information and belief, the applicable Defendants’ conspiracy and conspiratorial agreement and scheme have been masterminded by Raniere/Vanguard, coordinated by Keeffe, and funded by the Bronfman sisters. Also based upon information and belief, specific elements of this conspiracy and conspiratorial agreement and scheme have been carried out by various Defendants who have acted alone and/or in concert with one another – and who may have been assisted in their efforts by one or more of the named and/or un-named Defendant law firms and/or the Defendant attorneys.
82. Based upon information and belief, the applicable Defendants’ conspiracy and conspiratorial agreement and scheme have included, but not necessarily been limited to, the following elements:
 - (a) Illegally copying confidential and legally protected materials concerning the Plaintiff that had been legally obtained by the Office of the Albany County District Attorney – and, thereafter, sharing copies of those materials with other Defendants;
 - (b) Hiring one or more private investigators and/or private investigation firms to illegally obtain confidential and legally protected information regarding the Plaintiff;
 - (c) Conducting illegal surveillance activities in and/or about the Plaintiff’s various residences;
 - (d) Illegally gaining access to the Plaintiff’s conversations and/or text messaging on his cell phone;
 - (e) Illegally gaining access to the Plaintiff’s conversations on his land-line phone;
 - (f) Illegally gaining access to the contents of one or more of the computers that the Plaintiff has utilized to access the internet, to communicate with others, and/or to draft documents;
 - (g) Illegally gaining access to the contents of one or more of Plaintiff’s e-mail accounts;
 - (h) Developing a “negative publicity campaign” concerning the Plaintiff – and implementing some/all of the elements of that campaign;
 - (i) Filing fictitious change-of-address cards for the Plaintiff with the U.S. Post Office;
 - (j) Cutting the telephone line – and the cable television line – at the Plaintiff’s former residences;

- (k) Paint spraying the phrase “*You will die in 7 days*” at a construction site on the Plaintiff’s property in New Baltimore, NY;
- (l) Providing false and misleading information to the Office of the Albany County District Attorney that resulted in the Plaintiff being indicted by an Albany County Grand Jury;
- (m) Filing a false complaint against the Plaintiff with the District of Columbia Bar that contained numerous misrepresentations and outright lies, thereby putting the Plaintiff’s law license at risk and causing him to expend time and effort in refuting those charges;
- (n) Providing false and misleading information concerning the Plaintiff to various State and Federal law enforcement authorities in an attempt to get the Plaintiff indicted in a variety of jurisdictions – and encouraging them to indict the Plaintiff;
- (o) Making false and baseless representations concerning the Plaintiff to several third parties, thereby impugning his personal and professional reputation;
- (p) Requiring the Plaintiff to produce documents and records which were already in the possession of the Defendants, thereby forcing him to needlessly expend time and money on this effort;
- (q) Initiating baseless lawsuits and other legal actions against the Plaintiff and abusing the legal process with respect to those lawsuits and other legal actions, thereby requiring the Plaintiff to needlessly expend several hundreds of thousands of dollars on legal fees and eventually forcing him to file for bankruptcy protection; and
- (r) Filing baseless Adversary Proceedings in the Plaintiff’s bankruptcy case, thereby causing the Plaintiff to incur additional legal expenses – and delaying the resolution of that case.

83. As a result of the applicable Defendants’ involvement in the above-described conspiracy and conspiratorial scheme, the Plaintiff has suffered severe emotional, financial, mental, and physical harm and other deleterious effects¹⁹; been unfairly disadvantaged in a civil lawsuit that was initiated against him by several of the Defendants and other parties; had his freedom of speech severely impinged; been forced to spend hundreds of thousands of dollars on legal fees; been forced to file for bankruptcy; been forced to switch e-mail accounts on several occasions; and had his personal and professional reputation severely and permanently damaged. Based upon information and belief, some of the Defendants are continuing to engage in the above-described conspiracy and conspiratorial scheme even though they are well aware of the devastating effects that their prior conspiratorial actions have already had on him.

SECOND CAUSE OF ACTION

For Punitive Damages Related to Defendants’ Knowing, Willful and Malicious Participation in a Civil Conspiracy to Cause Harm to the Plaintiff

84. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are

¹⁹ Since May 2011, the Plaintiff has been undergoing treatment for a variety of medical-related issues. In this regard, the Plaintiff was hospitalized from January 9, 2012 through January 13, 2012 as a result of several life-threatening conditions – and is still undergoing testing and treatment for a variety of medical-related issues.

contained in Paragraphs 45 through 83 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.

85. The applicable Defendants' participation in a conspiracy and a conspiratorial agreement and scheme to cause harm to the Plaintiff was done knowingly, willfully and maliciously. As a result, punitive damages should be imposed on those Defendants separate and apart from any monetary damages that are awarded to the Plaintiff with respect to same.

THIRD CAUSE OF ACTION
For Monetary Damages Related to Defendants' Violation of the Plaintiff's Civil Rights

86. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 85 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
87. In addition to participating in a conspiracy and a conspiratorial agreement and scheme that were intended to (and that did) cause severe emotional, financial, mental, and physical harm to the Plaintiff and other deleterious effects, various Defendants have acted alone – and/or in concert with one another – to violate his civil rights.
88. Based upon information and belief, the applicable Defendants' violations of the Plaintiff's civil rights have been masterminded by Raniere/Vanguard, coordinated by Keeffe, and funded by the Bronfman sisters. Also based upon information and belief, specific elements of these violations have been carried out by various Defendants who have acted alone and/or in concert with one another – and who may have been assisted in their efforts by one or more of the named and/or un-named Defendant law firms and/or the Defendant attorneys.
89. Based upon information and belief, the applicable Defendants' violations of the Plaintiff's civil rights have included, but have not necessarily been limited to, the following elements:
- (a) Illegally copying confidential and legally protected materials concerning the Plaintiff that had been legally obtained by the Office of the Albany County District Attorney – and, thereafter, sharing copies of those materials with other Defendants;
 - (b) Hiring one or more private investigators and/or private investigation firms to illegally obtain confidential and legally protected information regarding the Plaintiff;
 - (c) Conducting illegal surveillance activities in and/or about the Plaintiff's various residences;
 - (d) Illegally gaining access to the Plaintiff's conversations and/or text messaging on his cell phone;
 - (e) Illegally gaining access to the Plaintiff's conversations on his land-line phone;
 - (f) Illegally gaining access to the contents of one or more of the computers that the Plaintiff has utilized to access the internet, to communicate with others,

- and/or to draft documents;
- (g) Illegally gaining access to the contents of one or more of Plaintiff's e-mail accounts;
- (h) Developing a "negative publicity campaign" concerning the Plaintiff – and implementing some/all of the elements of that campaign;
- (i) Filing fictitious change-of-address cards for the Plaintiff with the U.S. Post Office;
- (j) Cutting the telephone line – and the cable television line – at the Plaintiff's former residences;
- (k) Paint spraying the phrase "*You will die in 7 days*" at a construction site on the Plaintiff's property in New Baltimore, NY;
- (l) Providing false and misleading information to the Office of the Albany County District Attorney that resulted in the Plaintiff being indicted by an Albany County Grand Jury;
- (m) Filing a false complaint against the Plaintiff with the District of Columbia Bar that contained numerous misrepresentations and outright lies, thereby putting the Plaintiff's law license at risk and causing him to expend time and effort in refuting those charges;
- (n) Providing false and misleading information concerning the Plaintiff to various State and Federal law enforcement authorities in an attempt to get the Plaintiff indicted in a variety of jurisdictions – and encouraging them to indict the Plaintiff;
- (o) Making false and baseless representations concerning the Plaintiff to several third parties, thereby impugning his personal and professional reputation;
- (p) Requiring the Plaintiff to produce documents and records which were already in the possession of the Defendants, thereby forcing him to needlessly expend time and money on this effort;
- (q) Initiating baseless lawsuits and other legal actions against the Plaintiff and abusing the legal process with respect to those lawsuits and other legal actions, thereby requiring the Plaintiff to needlessly expend several hundreds of thousands of dollars on legal fees and eventually forcing him to file for bankruptcy protection; and
- (r) Filing baseless Adversary Proceedings in the Plaintiff's bankruptcy case, thereby causing the Plaintiff to incur additional legal expenses – and delaying the resolution of that case.

90. As a result of the applicable Defendants' violations of the Plaintiff's civil rights, the Plaintiff has suffered severe emotional, financial, mental, and physical harm and other deleterious effects; been unfairly disadvantaged in a civil lawsuit that was initiated against him by several of the Defendants and other parties; had his freedom of speech severely impinged; been forced to spend hundreds of thousands of dollars on legal fees; been forced to file for bankruptcy; been forced to switch e-mail accounts on several occasions; and had his personal and professional reputation severely and permanently damaged. Based upon information and belief, some of the Defendants are continuing to violate the Plaintiff's civil rights even though they are well aware of the devastating effects that their prior violative actions have already had on him.

FOURTH CAUSE OF ACTION

For Punitive Damages Related to the Defendants' Knowing, Willful and Malicious Violation of the Plaintiff's Civil Rights

91. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 90 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
92. The applicable Defendants' violations of the Plaintiff's civil rights were done knowingly, willfully and maliciously. As a result, punitive damages should be imposed on those Defendants separate and apart from any monetary damages that are awarded to the Plaintiff with respect to same.

FIFTH CAUSE OF ACTION

For Monetary Damages Related to the Defendants' Violation of Plaintiff's Constitutional Right to Privacy

93. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 92 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
94. In addition to participating in a conspiracy and a conspiratorial agreement and scheme that were intended to (and that did) cause severe emotional, financial, mental, and physical harm to the Plaintiff and other deleterious effects, and to violating the Plaintiff's civil rights, various Defendants have acted alone – and/or in concert with one another – to violate the Plaintiff's constitutional right to privacy.
95. Based upon information and belief, the applicable Defendants' violations of the Plaintiff's constitutional right to privacy have been masterminded by Raniere/Vanguard, coordinated by Keefe, and funded by the Bronfman sisters. Also based upon information and belief, specific elements of these violations have been carried out by various Defendants who have acted alone and/or in concert with one another – and who may have been assisted in their efforts by one or more of the named and/or un-named Defendant law firms and/or the Defendant attorneys
96. Based upon information and belief, the applicable Defendants' violations of the Plaintiff's right to privacy have included, but have not necessarily been limited to, the following elements:
- (a) Illegally copying confidential and legally protected materials concerning the Plaintiff that had been legally obtained by the Office of the Albany County District Attorney;
 - (b) Hiring one or more private investigators and/or private investigation firms to illegally obtain confidential and legally protected information regarding the Plaintiff;

- (c) Conducting illegal surveillance within the Plaintiff's various residences – and/or within his various automobiles;
- (d) Illegally gaining access to the Plaintiff's "live" conversations on his cell phone and/or his land line phone;
- (e) Illegally gaining access to the contents of one or more of the computers that the Plaintiff utilized to access the internet, to communicate, and/or to draft documents; and
- (f) Illegally gaining access to the contents of one or more of Plaintiff's e-mail accounts.

97. As a result of the applicable Defendants' violations of the Plaintiff's constitutional right to privacy, the Plaintiff has suffered severe emotional, financial, mental, and physical harm and other deleterious effects; been unfairly disadvantaged in a civil lawsuit that was initiated against him by several of the Defendants and other parties; had his freedom of speech severely impinged; been forced to spend hundreds of thousands of dollars on legal fees; been forced to file for bankruptcy; been forced to switch e-mail accounts on several occasions; and had his personal and professional reputation severely and permanently damaged. Based upon information and belief, some of the Defendants are continuing to violate the Plaintiff's constitutional right to privacy even though they are well aware of the devastating effects that their prior violative actions have already had on him.

SIXTH CAUSE OF ACTION

For Punitive Damages Related to the Defendants' Knowing, Willful and Malicious Violation of the Plaintiff's Constitutional Right to Privacy

98. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 97 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
99. The Defendants' violations of the Plaintiff's constitutional right to privacy were done knowingly, willfully, and with malice. As a result, punitive damages should be imposed on those Defendants separate and apart from any monetary damages that are awarded to the Plaintiff with respect to same.

SEVENTH CAUSE OF ACTION

For Monetary Damages Related to the Defendants' Retaliation Against the Plaintiff Because of His Whistleblower-Related Actions

100. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 99 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
101. In addition to participating in a conspiratorial agreement and scheme that were intended to (and that did) cause harm to the Plaintiff, to violating the Plaintiff's civil rights, and to violating the Plaintiff's constitutional right to privacy, various Defendants have

individually – and/or in concert with one another – retaliated against the Plaintiff because of the fact that he has made “whistleblower reports” and provided related documents and records to several Federal and State agencies regarding some of the inappropriate and/or potentially illegal activities in which several of the Defendants have been and/or are engaged.

102. Based upon information and belief, the applicable Defendants’ retaliation efforts against the Plaintiff have been masterminded by Raniere/Vanguard, coordinated by Keeffe, and funded by the Bronfman sisters. Also based upon information and belief, specific elements of these retaliations have been carried out by various Defendants who have acted alone and/or in concert with one another – and who may have been assisted in their efforts by one or more of the named and/or un-named Defendant law firms and/or the Defendant attorneys.
103. Based upon information and belief, the applicable Defendants’ retaliations against the Plaintiff have included, but have not necessarily been limited to, the following elements:
 - (a) Illegally copying confidential and legally protected materials concerning the Plaintiff that had been legally obtained by the Office of the Albany County District Attorney – and, thereafter, sharing copies of those materials with other Defendants;
 - (b) Hiring one or more private investigators and/or private investigation firms to illegally obtain confidential and legally protected information regarding the Plaintiff;
 - (c) Conducting illegal surveillance activities in and/or about the Plaintiff’s various residences;
 - (d) Illegally gaining access to the Plaintiff’s conversations and/or text messaging on his cell phone;
 - (e) Illegally gaining access to the Plaintiff’s conversations on his land-line phone;
 - (f) Illegally gaining access to the contents of one or more of the computers that the Plaintiff has utilized to access the internet, to communicate with others, and/or to draft documents;
 - (g) Illegally gaining access to the contents of one or more of Plaintiff’s e-mail accounts;
 - (h) Developing a “negative publicity campaign” concerning the Plaintiff – and implementing some/all of the elements of that campaign;
 - (i) Filing fictitious change-of-address cards for the Plaintiff with the U.S. Post Office;
 - (j) Cutting the telephone line – and the cable television line – at the Plaintiff’s former residences;
 - (k) Paint spraying the phrase “*You will die in 7 days*” at a construction site on the Plaintiff’s property in New Baltimore, NY;
 - (l) Providing false and misleading information to the Office of the Albany County District Attorney that resulted in the Plaintiff being indicted by an Albany County Grand Jury;
 - (m) Filing a false complaint against the Plaintiff with the District of Columbia Bar that contained numerous misrepresentations and outright lies, thereby putting

the Plaintiff's law license at risk and causing him to expend time and effort in refuting those charges;

- (n) Providing false and misleading information concerning the Plaintiff to various State and Federal law enforcement authorities in an attempt to get the Plaintiff indicted in a variety of jurisdictions – and encouraging them to indict the Plaintiff;
- (o) Making false and baseless representations concerning the Plaintiff to several third parties, thereby impugning his personal and professional reputation;
- (p) Requiring the Plaintiff to produce documents and records which were already in the possession of the Defendants, thereby forcing him to needlessly expend time and money on this effort;
- (q) Initiating baseless lawsuits and other legal actions against the Plaintiff and abusing the legal process with respect to those lawsuits and other legal actions, thereby requiring the Plaintiff to needlessly expend several hundreds of thousands of dollars on legal fees and eventually forcing him to file for bankruptcy protection; and
- (r) Filing baseless Adversary Proceedings in the Plaintiff's bankruptcy case, thereby causing the Plaintiff to incur additional legal expenses – and delaying the resolution of that case.

104. As a result of the applicable Defendants' retaliations against the Plaintiff because of his whistleblower-related actions, the Plaintiff has suffered severe emotional, financial, mental, and physical harm and other deleterious effects; been unfairly disadvantaged in a civil lawsuit that was initiated against him by several of the Defendants and other parties; had his freedom of speech severely impinged; been forced to spend hundreds of thousands of dollars on legal fees; been forced to file for bankruptcy; been forced to switch e-mail accounts on several occasions; and had his personal and professional reputation severely and permanently damaged. Based upon information and belief, some of the Defendants are continuing to retaliate against the Plaintiff even though they are well aware of the devastating effects that their prior retaliatory actions have already had on him.

EIGHTH CAUSE OF ACTION

For Punitive Damages Related to the Defendants' Knowing, Willful and Malicious Retaliation Against the Plaintiff Because of His Whistleblower-Related Actions

105. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 104 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
106. The Defendants' retaliations against the Plaintiff because of his whistleblower-related actions were done knowingly, willfully, and with malice. As a result, punitive damages should be imposed on those Defendants separate and apart from any monetary damages that are awarded to the Plaintiff with respect to same.

NINTH CAUSE OF ACTION

**For Monetary Damages Related to the Defendants' Infringement of Plaintiff's
Common Law Copyright Protection – and Defendants' Violation of Plaintiff's
Protections Per *The Digital Millennium Copyright Act***

107. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 106 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
108. In addition to participating in a conspiratorial agreement and scheme that were intended to (and that did) cause harm to the Plaintiff, to violating the Plaintiff's civil rights, to violating the Plaintiff's constitutional right to privacy, and to retaliating against the Plaintiff because of his whistleblower-related actions, various Defendants have also violated the Plaintiff's common law right of copyright protection by illegally making copies of e-mails that he authored from the Joe@JJOHaraGroup.com e-mail account – and/or violated the protections that are afforded to the Plaintiff with respect to those e-mails per *The Digital Millennium Copyright Act*, 17 U.S.C. § 512(c) (3) by
109. Based upon information and belief, the applicable Defendants' infringements of the Plaintiff's common law copyright protection – and the applicable Defendants' violations of the Plaintiff's protections per *The Digital Millennium Copyright Act* – have been masterminded by Raniere/Vanguard, coordinated by Keeffe, and funded by the Bronfman sisters. Also based upon information and belief, specific elements of these infringements and violations been carried out by various Defendants who have acted alone and/or in concert with one another – and who may have been assisted in their efforts by one or more of the named and/or un-named Defendant law firms and/or the Defendant attorneys.
110. In general, e-mails are entitled to the same common law copyright protection as any other literary works. In this regard, one of the exclusive rights that are accorded to the owner of a copyright is the right to reproduce – and/or to authorize others to reproduce – the copyrighted material.
111. By obtaining copies of e-mails that were authored by the Plaintiff on his Joe@JJOHaraGroup.com e-mail account without his authorization – and by doing so without benefit of a Court Order or a properly issued subpoena – the applicable Defendants have violated the Plaintiff's common law copyright protection with respect to each such e-mail. As a result, the Plaintiff is entitled to collect monetary damages with respect to each such copyright violation.
112. In addition to the above, the applicable Defendants' receipt of copies of the above-referenced e-mails also violates the protections that are afforded to the Plaintiff per *The Digital Millennium Copyright Act* (None of the "safe harbor" provisions of that statute are applicable with respect to the above-cited actions of the Defendants). As a result, the Plaintiff is allowed to seek an award of statutory damages – or an award for actual damages – with respect to each such statutory violation (Per the applicable provisions of *The Digital Millennium Copyright Act*, the statutory damages for each such violation are \$2,500 - \$25,000).

113. Based upon information and belief, some of the Defendants are continuing to infringe upon the Plaintiff's common law copyright protection – and violate the Plaintiff's protections per *The Digital Millennium Copyright Act* – even though they are well aware of the devastating effects that their prior infringing and violative actions have already had on him.

TENTH CAUSE OF ACTION

For Punitive Damages Related to the Defendants' Knowing, Willful and Malicious Infringement of Plaintiff's Common Law Copyright Protection – and Defendants' Knowing, Willful and Malicious Violation of the Plaintiff's Protections Per *The Digital Millennium Copyright Act*

114. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 113 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
115. The applicable Defendants' infringements of the Plaintiff's common law copyright protection – and the applicable Defendants' violations of the Plaintiff's protections per *The Digital Millennium Copyright Act* – were done knowingly, willfully, and with malice. As a result, punitive damages should be imposed on those Defendants separate and apart from any monetary damages that are awarded to the Plaintiff with respect to same.

ELEVENTH CAUSE OF ACTION

For Monetary Damages Related to the Defendants' Infliction of Severe Emotional, Financial, Mental and Physical Distress on the Plaintiff

116. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 115 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
117. In addition to participating in a conspiracy and a conspiratorial agreement and scheme that were intended to (and that did) cause harm to the Plaintiff, to violating the Plaintiff's civil rights, to violating the Plaintiff's constitutional right to privacy, to retaliating against the Plaintiff because of his whistleblower-related actions, and to violating the Plaintiff's common law right of copyright protection with respect to any e-mails that he authored from the Joe@JJOHaraGroup.com e-mail account and the protections that are afforded to the Plaintiff per *The Digital Millennium Copyright Act*, 17 U.S.C. § 512(c) (3), various Defendants have also inflicted severe emotional, financial, mental, and physical distress on the Plaintiff.
118. Based upon information and belief, the applicable Defendants' inflictions of severe emotional, financial, mental, and physical distress on the Plaintiff have been masterminded by Raniere/Vanguard, coordinated by Keeffe, and funded by the Bronfman

sisters. Also based upon information and belief, specific elements of these inflictions have been carried out by various Defendants who have acted alone and/or in concert with one another – and who may have been assisted in their efforts by one or more of the named and/or un-named Defendant law firms and/or the Defendant attorneys.

119. Based upon information and belief, the applicable Defendants' inflictions of severe emotional, financial, mental, and physical distress on the Plaintiff have included, but have not necessarily been limited to, the following elements:

- (a) Illegally copying confidential and legally protected materials concerning the Plaintiff that had been legally obtained by the Office of the Albany County District Attorney – and, thereafter, sharing copies of those materials with other Defendants;
- (b) Hiring one or more private investigators and/or private investigation firms to illegally obtain confidential and legally protected information regarding the Plaintiff;
- (c) Conducting illegal surveillance activities in and/or about the Plaintiff's various residences;
- (d) Illegally gaining access to the Plaintiff's conversations and/or text messaging on his cell phone;
- (e) Illegally gaining access to the Plaintiff's conversations on his land-line phone;
- (f) Illegally gaining access to the contents of one or more of the computers that the Plaintiff has utilized to access the internet, to communicate with others, and/or to draft documents;
- (g) Illegally gaining access to the contents of one or more of Plaintiff's e-mail accounts;
- (h) Developing a "negative publicity campaign" concerning the Plaintiff – and implementing some/all of the elements of that campaign;
- (i) Filing fictitious change-of-address cards for the Plaintiff with the U.S. Post Office;
- (j) Cutting the telephone line – and the cable television line – at the Plaintiff's former residences;
- (k) Paint spraying the phrase "*You will die in 7 days*" at a construction site on the Plaintiff's property in New Baltimore, NY;
- (l) Providing false and misleading information to the Office of the Albany County District Attorney that resulted in the Plaintiff being indicted by an Albany County Grand Jury;
- (m) Filing a false complaint against the Plaintiff with the District of Columbia Bar that contained numerous misrepresentations and outright lies, thereby putting the Plaintiff's law license at risk and causing him to expend time and effort in refuting those charges;
- (n) Providing false and misleading information concerning the Plaintiff to various State and Federal law enforcement authorities in an attempt to get the Plaintiff indicted in a variety of jurisdictions – and encouraging them to indict the Plaintiff;
- (o) Making false and baseless representations concerning the Plaintiff to several third parties, thereby impugning his personal and professional reputation;
- (p) Requiring the Plaintiff to produce documents and records which were already

in the possession of the Defendants, thereby forcing him to needlessly expend time and money on this effort;

- (q) Initiating baseless lawsuits and other legal actions against the Plaintiff and abusing the legal process with respect to those lawsuits and other legal actions, thereby requiring the Plaintiff to needlessly expend several hundreds of thousands of dollars on legal fees and eventually forcing him to file for bankruptcy protection; and
- (r) Filing baseless Adversary Proceedings in the Plaintiff's bankruptcy case, thereby causing the Plaintiff to incur additional legal expenses – and delaying the resolution of that case.

120. As a result of the applicable Defendants' inflictions of severe emotional, financial, mental, and physical distress on the Plaintiff, the Plaintiff has suffered a variety of deleterious effects; been unfairly disadvantaged in a civil lawsuit that was initiated against him by several of the Defendants and other parties; had his freedom of speech severely impinged; been forced to spend hundreds of thousands of dollars on legal fees; been forced to file for bankruptcy; been forced to switch e-mail accounts on several occasions; and had his personal and professional reputation severely and permanently damaged. Based upon information and belief, some of the Defendants are continuing to inflict severe emotional, financial, mental, and physical distress on the Plaintiff even though they are well aware of the devastating effects that their prior distress-producing actions have already had on him.

TWELFTH CAUSE OF ACTION

For Punitive Damages Related to the Defendants' Knowing, Willful and Malicious Infliction of Severe Emotional, Financial, Mental, And Physical Distress on the Plaintiff

121. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 120 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
122. The applicable Defendants infliction of severe emotional financial, mental, and physical distress on the Plaintiff was done knowingly, willfully, and with malice. As a result, punitive damages should be imposed on those Defendants separate and apart from any monetary damages that are awarded to the Plaintiff with respect to same.

THIRTEENTH CAUSE OF ACTION

For Monetary Damages Related to the Defendants' Defamation of the Plaintiff

123. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 122 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
124. In addition to participating in a conspiratorial agreement and scheme that were intended

to (and that did) cause harm to the Plaintiff, to violating the Plaintiff's civil rights, to violating the Plaintiff's constitutional right to privacy, to retaliating against the Plaintiff because of his whistleblower-related actions, to violating the Plaintiff's common law right of copyright protection with respect to any e-mails that he authored from the Joe@JJOHaraGroup.com e-mail account and the protections that are afforded to the Plaintiff per *The Digital Millennium Copyright Act*, 17 U.S.C. § 512(c) (3), and to inflicting severe emotional, financial, mental, and physical distress on the Plaintiff, various Defendants have also defamed the Plaintiff.

125. Based upon information and belief, the applicable Defendants' defamation of the Plaintiff has been masterminded by Raniere/Vanguard, coordinated by Keeffe, and funded by the Bronfman sisters. Also based upon information and belief, specific elements of the defamation have been carried out by various members of the Defendants who have acted alone and/or in concert with one another – and who have been assisted in their efforts by one or more of the Defendant law firms and/or the Defendant attorneys.
126. Based upon information and belief, the applicable Defendants' defamation of the Plaintiff has included, but has not necessarily been limited to, the following elements:
 - (a) Hiring one or more private investigators and/or private investigation firms to illegally obtain confidential and legally protected information regarding the Plaintiff;
 - (b) Conducting illegal surveillance within the Plaintiff's various residences – and/or within his various automobiles;
 - (c) Illegally gaining access to the Plaintiff's "live" conversations on his cell phone and/or his land line phone;
 - (d) Illegally gaining access to the contents of one or more of the computers that the Plaintiff utilized to access the internet, to communicate, and/or to draft documents;
 - (e) Illegally gaining access to the contents of one or more of Plaintiff's e-mail accounts;
 - (f) Developing a "negative publicity campaign" concerning the Plaintiff – and implementing some/all of the elements of that campaign;
 - (g) Filing a false complaint against the Plaintiff with the District of Columbia Bar that contained numerous misrepresentations and outright lies, thereby putting the Plaintiff's law license at risk and causing him to expend time and effort in refuting those charges;
 - (h) Providing false and misleading information concerning the Plaintiff to various State and Federal law enforcement authorities in an attempt to get the Plaintiff indicted in a variety of jurisdictions – and encouraging them to indict the Plaintiff;
 - (i) Providing false and misleading information to the Office of the Albany County District Attorney that resulted in the Plaintiff being indicted by an Albany County Grand Jury;
 - (j) Making false and baseless representations concerning the Plaintiff to several third parties, thereby impugning his personal and professional reputation;
 - (k) Initiating baseless lawsuits and other legal actions against the Plaintiff and abusing the legal process with respect to those lawsuits and other legal

actions, thereby requiring the Plaintiff to needlessly expend several hundreds of thousands of dollars on legal fees and eventually forcing him to file for bankruptcy protection; and

- (l) Filing baseless Adversary Proceedings in the Plaintiff's bankruptcy case, thereby causing the Plaintiff to incur additional legal expenses – and delaying the resolution of that case.

- 127. As a result of the applicable Defendants' defamation of the Plaintiff, the Plaintiff has suffered a variety of deleterious effects – and had his personal and professional reputation severely and permanently damaged. Based upon information and belief, some of the Defendants are continuing to defame the Plaintiff even though they are well aware of the devastating effects that their prior defamatory actions have already had on him.

FOURTEENTH CAUSE OF ACTION

For Punitive Damages Related to the Defendants' Knowing, Willful and Malicious Defamation of the Plaintiff

- 128. The Plaintiff hereby re-alleges and incorporates by reference all of the allegations that are contained in Paragraphs 45 through 127 herein as though they were set forth here – and, by this reference, makes them a part hereof this cause of action.
- 129. The Defendants' defamation of the Plaintiff was done knowingly, willfully, and with malice. As a result, punitive damages should be imposed on those Defendants separate and apart from any monetary damages that are awarded to the Plaintiff with respect to same.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff, Joseph J. O'Hara, demands judgment against the Defendants as follows:

- 1. On the First Cause of Action, monetary damages of at least Five Hundred Thousand Dollars (\$500,000) plus appropriate interest thereon – and an Order directing the Defendants to refrain from engaging in any additional conspiratorial agreements and/or schemes that are intended to harm the Plaintiff;
- 2. On the Second Cause of Action, punitive damages of at least One Million Dollars (\$1,000,000) plus appropriate interest thereon;
- 3. On the Third Cause of Action, monetary damages of at least Five Hundred Thousand Dollars (\$500,000) plus appropriate interest thereon – and an Order directing the Defendants to refrain from any further violations of the Plaintiff's civil rights;
- 4. On the Fourth Cause of Action, punitive damages of at least One Million Dollars (\$1,000,000) plus appropriate interest thereon;

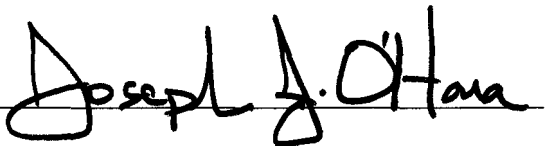
5. On the Fifth Cause of Action, monetary damages of at least Five Hundred Thousand Dollars (\$500,000) plus appropriate interest thereon – and an Order directing the Defendants to refrain from any further invasion of the Plaintiff's constitutional right to privacy;
6. On the Sixth Cause of Action, punitive damages of at least One Million Dollars (\$1,000,000) plus appropriate interest thereon;
7. On the Seventh Cause of Action, monetary damages of at least Five Hundred Thousand Dollars (\$500,000) plus appropriate interest thereon – and an Order directing the Defendants to refrain from any further retaliation against the Plaintiff and/or anyone else who reports any of their illegal activities and practices to Federal and/or State authorities;
8. On the Eighth Cause of Action, punitive damages of at least One Million Dollars (\$1,000,000) plus appropriate interest thereon;
9. On the Ninth Cause of Action, monetary damages of Ten Thousand Dollars (\$10,000) per e-mail for each of the Plaintiff's e-mails that the Defendants received from Accelify, Goldenberg and/or any other third party plus appropriate interest thereon – and an Order directing the Defendants to destroy all of the copies of the Plaintiff's e-mails that they have in their possession and to refrain from any further copyright violations concerning the Plaintiff's e-mails;
10. On the Tenth Cause of Action, punitive damages of at least One Million Dollars (\$1,000,000) plus appropriate interest thereon;
11. On the Eleventh Cause of Action, monetary damages of at least Five Hundred Thousand Dollars (\$500,000) plus appropriate interest thereon – and an Order directing the Defendants to refrain from any additional reckless actions that are intended to inflict severe emotional distress on the Plaintiff;
12. On the Twelfth Cause of Action, punitive damages of at least One Million Dollars (\$1,000,000) plus interest thereon;
13. On the Thirteenth Cause of Action, monetary damages of at least Five Hundred Thousand Dollars (\$500,000) plus appropriate interest thereon – and an Order directing the Defendants to refrain from any further defamation of the Plaintiff's personal and/or professional reputation;
14. On the Fourteenth Cause of Action, punitive damages of at least One Million Dollars (\$1,000,000) plus appropriate interest thereon; and
15. Additional punitive damages in the amount of Five Million Dollars (\$5,000,000);
16. An Order requiring the Defendants to fully compensate the Plaintiff for all of the

expenses that he has incurred as a result of the various lawsuits and/or other legal actions that have ever been initiated against him by the Defendants;

17. An Order dismissing, with prejudice, any and all pending legal actions against the Plaintiff by each of the Defendants;
18. An Order requiring each of the Defendants to execute a "General Release" on behalf of the Plaintiff – and a permanent injunction that will prevent each of the Defendants from initiating any legal actions against the Plaintiff in the future – with respect to anything that he has done or said on or prior to the date on which that "General Release" and permanent injunction take effect; and
19. All such other and further relief as this Court deems just and proper.

Dated: February 9, 2012

Albany, NY

By: 

JOSEPH J. O'HARA, *Pro Se* Plaintiff
99 VLY ROAD
COLONIE, NY 12205
(518) 506-3840

VERIFICATION

STATE OF NEW YORK)) ss:
COUNTY OF ALBANY)

JOSEPH J. O'HARA, being hereby duly sworn, deposes and says:

1. I am the Plaintiff herein – and I am fully familiar with the facts concerning this matter.
2. I have prepared the foregoing Verified Complaint and the information contained therein – and I make this Verification in support of same.
3. I have reviewed the foregoing Verified Complaint – and I know it to be accurate and true except to those matters therein stated to be alleged upon information and belief and, as to those matters, I believe them to be true to the best of my knowledge.

Joseph J. O'Hara
JOSEPH J. O'HARA

DATE 2/9/2012

Exhibit 1

At an All Purpose Term of the
Supreme Court of the State of
New York, held in and for the
County of Albany, at the County
Court House, Albany, New York
on the 3rd day of September 1996.

P R E S E N T :

HON. JOSEPH C. TERESI
JUSTICE OF THE SUPREME COURT

-----X

THE PEOPLE OF THE STATE OF NEW YORK, by :
ROBERT ABRAMS, Attorney General of the :
State of New York, :

Plaintiffs, :

-against- : CONSENT ORDER AND
JUDGMENT

CONSUMERS' BUYLINE, INC., KEITH : Index No. 2336-93
RANIERE, PAMELA CAFRITZ and : RJI No. 0193035859
KAREN UNTERREINER, :

Defendants. :
-----X

Plaintiffs having commenced the above-entitled action
pursuant to General Business Law ("GBL") §§ 349, 353 and 353-a,
and Executive Law § 63(12) for an Order and Judgment, inter alia,
enjoining defendants from engaging in the fraudulent, deceptive
and illegal acts alleged in the Verified Complaint; and

The parties having entered into the annexed Stipulation
consenting to the entry of this Consent Order and Judgment;

Now, on motion of Dennis C. Vacco, Attorney General of the
State of New York, Thomas G. Conway, Assistant Attorney General
of Counsel, attorneys for plaintiffs, it is hereby

1. ORDERED and ADJUDGED that defendants Consumers'
Buyline, Inc., Keith Ranieri, Pamela Cafritz and Karen

Unterreiner are permanently enjoined from promoting, offering or granting participation in a chain distributor scheme in the State of New York in violation of GBL § 359-fff; and it is further

2. ORDERED and ADJUDGED that defendants Consumers' Buyline, Inc. and Keith Raniere shall pay to the Attorney General the total sum of forty thousand dollars (\$40,000.00) as the costs of this action; and it is further -

3. ORDERED and ADJUDGED that defendants Consumers' Buyline, Inc. and Keith Raniere shall pay the \$40,000.00 costs by making total payments of \$500.00 per month commencing on October 1, 1996 until the \$40,000.00 is paid in full. Payments shall be made by cashier's or attorney's escrow check and shall be received by the Attorney General no later than the first day of each month; and it is further

4. ORDERED and ADJUDGED, that upon defendants Consumers Buyline, Inc.'s or Keith Raniere's failure to make any payment required by this Consent Judgment and Order, the Attorney General may apply to this Court, without notice to defendants, for entry of a final judgment against defendants Consumers' Buyline, Inc. and Keith Raniere, jointly and severally, for the full amount of the remaining unpaid balance; and it is further

5. ORDERED and ADJUDGED, that nothing in this Consent Order and Judgment shall be construed to deprive any person of any private right of action against defendants; and it is further

6. ORDERED and ADJUDGED that this Consent Order and Judgment does not constitute a finding that defendants have committed any fraudulent, illegal or deceptive acts.

Dated: Albany, New York
~~August 1996~~

September 3, 1996

E N T E R

Joseph C. Teresi
JUSTICE OF THE SUPREME COURT

HON. JOSEPH C. TERESI, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

-----X
PEOPLE OF THE STATE OF NEW YORK, by :
ROBERT ABRAMS, Attorney General of the :
State of New York, :

Plaintiffs, : STIPULATION

-against- : Index No. 2336-93
RJI No. 0193035859

CONSUMERS' BUYLINE, INC., KEITH RANIERE, :
PAMELA CAFRITZ and KAREN UNTERREINER, :

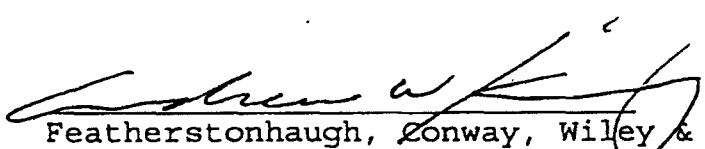
Defendants. :
-----X

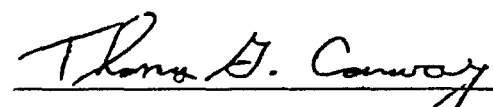
It is hereby stipulated and agreed to by and between the
undersigned as follows:

1. All parties to this action consent to entry of the
annexed Consent Order and Judgment.

2. Defendants deny that they have committed any fraudulent,
illegal or deceptive acts and the settlement of this action does
not constitute a finding that defendants have committed any such
acts.

Dated: Albany, New York
August 28, 1996


Featherstonhaugh, Conway, Wiley & Clyne
Attorneys for Defendants Consumers' Buyline, Inc.,
Keith Ranieri, Karen Unterreiner and Pamela Cafritz


Thomas G. Conway
Assistant Attorney General
Attorney for Plaintiffs

Keith Ranieri, As President
Consumers' Buyline, Inc.

Keith Ranieri
Keith Ranieri

Karen Unterreiner
Karen Unterreiner

Pamela Cafritz
Pamela Cafritz

Exhibit 2

O'CONNELL AND ARONOWITZ

ATTORNEYS AT LAW

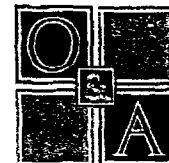
54 STATE STREET, ALBANY, NEW YORK 12207-2501

(518) 462-5601 FAX: (518) 462-2670

www.oalaw.com info@oalaw.com

206 WEST BAY PLAZA, PLATTSBURGH, NEW YORK 12901

(518) 562-0600 FAX: (518) 562-0657



EDWARD J. O'CONNELL 1925-39
SAMUEL E. ARONOWITZ 1925-73
LEWIS A. ARONOWITZ 1951-79

MEMORANDUM

TO: Sara Bronfman
Clare Bronfman
Kristin Keefe

FROM: Stephen R. Coffey, Esq.
Andrew R. Safranko, Esq.

RE: **Matters of Joseph O'Hara**

DATE: July 25, 2008

CORNELIUS D. MURRAY
NEIL H. RIVCHIN
PETER DANZIGER
FRED B. WANDER
STEPHEN R. COFFEY
JEFFREY J. SHERRIN
WILLIAM A. FAVREAU
THOMAS J. DI NOVO
NANCY SCIOCCHETTI
PAMELA A. NICHOLS
MARK G. RICHTER
DONALD W. BIGGS
JAMI DURANTE ROGOWSKI
TINA CHERICONI VERSACI
HEIDI DENNIS
ANDREW R. SAFRANKO
JANE BELLO BURKE
TIMOTHY S. HART

OF COUNSEL

RICHARD H. WEISKOPF
PETER HENNER
MICHAEL P. McDERMOTT
DAVID R. ROSS
JAMES A. SHANNON

KEVIN P. HICKEY
KURT E. BRATTEN
WILLIAM F. BERGLUND
ROBYN B. NICOLL
KELLY J. MIKULLITZ
KATHRYN E. JERIAN
SARA B. FEDELE
ERIN R. MINDORO

FRANCESCA SOMMER*
(HEALTH CARE AND
REGULATORY ADVISOR)
*NOT A MEMBER OF THE LEGAL
PRACTICE

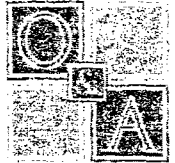
As you are aware, money laundering represents the process by which criminals attempt to transfer their ill-gotten gains into what appears to be lawfully gained wealth. The money laundering statute, Penal Law Article 470, can be divided into three categories: (1) transaction money laundering; (2) transportation money laundering; and (3) money laundering in the context of undercover sting operations.

Within these categories, are four separate crimes of money laundering, which essentially differentiate themselves by the amount of money involved in the transaction and the type of criminal activity that initiated the proceeds to money launder. This amount ranges from \$ 5,000 for a crime defined in money laundering in the fourth degree (N.Y. Penal Law § 470.05) to an amount in excess of \$1,000,000.00 (N.Y. Penal Law § 470.20). The defendant must know that the transaction represents the proceeds of the requisite unlawful activity.

In this particular case, the actions of Joseph O'Hara fit the requirements of the transactional money laundering offense. The essential elements of transactional money laundering which must be proved are:

- the defendant knows that the property involved in the financial transaction represents the proceeds of unlawful activity;
- the defendant conducts a financial transaction that involves the proceeds of the unlawful activity;
- the defendant acts with the intent to promote the carrying on of unlawful activity; and

O'CONNELL AND ARONOWITZ
ATTORNEYS AT LAW



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July 25, 2008

- the total value of the property involved in the financial transaction exceeds a stated sum.

The elements of the money laundering crimes are set forth and differentiated below:

Money Laundering in the Fourth Degree

The elements for Money Laundering in the Fourth Degree (N.Y. Penal Law § 470.05(1)) are:

- the defendant knows that the property involved in the financial transaction represents the proceeds of unlawful activity (criminal conduct);
- the defendant conducts a financial transaction that involves the proceeds of the unlawful activity (specified criminal conduct);
- the defendant acts with the intent to promote the carrying on of unlawful activity (criminal conduct); and
- the total value of the property involved in the financial transaction exceeds a stated sum (\$5000.00).

Criminal Conduct means conduct which is a crime under the laws of NY or conduct committed in any other jurisdiction which would be a crime in NYS. (N.Y. Penal Law § 470.00(4))

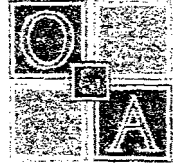
Specified Criminal Conduct means criminal conduct committed in this state constituting a criminal act, as the term is defined in Penal Law § 460.10, or constituting the crime of enterprise corruption, as defined in Penal Law § 460.20, or conduct committed in any other jurisdiction which is or would be specified criminal conduct if committed in this state. (N.Y. Penal Law § 470.00(5))

Money Laundering in the Third Degree

The elements for Money Laundering in the Third Degree (N.Y. Penal Law § 470.10(1)(b)) are:

- the defendant knows that the property involved in the financial transaction represents the proceeds of unlawful activity (criminal conduct);
- the defendant conducts a financial transaction that involves the proceeds of the unlawful activity (specified criminal conduct);
- the defendant acts with the intent to promote the carrying on of unlawful activity (criminal conduct); and

O'CONNELL AND ARONOWITZ
ATTORNEYS AT LAW



Page 3

July 25, 2008

- the total value of the property involved in the financial transaction exceeds a stated sum (\$50,000.00).

Money Laundering in the Second Degree

The elements for Money Laundering in the Second Degree (N.Y. Penal Law § 470.15(1)(b)) are:

- the defendant knows that the property involved in the financial transaction represents the proceeds of unlawful activity (specified criminal conduct);
- the defendant conducts a financial transaction that involves the proceeds of the unlawful activity (specified criminal conduct);
- the defendant acts with the intent to promote the carrying on of unlawful activity (specified criminal conduct); and
- the total value of the property involved in the financial transaction exceeds a stated sum (\$100,000.00).

Money Laundering in the First Degree

The elements for Money Laundering in the First Degree (N.Y. Penal Law § 470.15(1)(b)) are:

- the defendant knows that the property involved in the financial transaction represents the proceeds of unlawful activity (must be a class A, B, or C Felony);
- the defendant conducts a financial transaction that involves the proceeds of the unlawful activity (must be a A, B, or C Felony);
- the defendant acts with the intent to promote the carrying on of unlawful activity (specified criminal conduct); and
- the total value of the property involved in the financial transaction exceeds a stated sum (\$1,000,000.00).

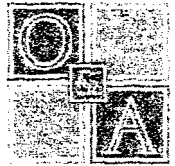
Notably, a conviction for first degree money laundering requires a mandatory minimum prison sentence of 1 to 3 years in State Prison.

Facts Supporting the original Grand Larceny from The Ethical Foundation that create a violation of the money laundering statute:

- In May 2004, O'Hara convinces the Bronfman's that the easiest and quickest way to establish a 501(c)(3) corporation is to convert his own entity Humanalysis Inc., to The Ethical Foundation.

O'CONNELL AND ARONOWITZ

ATTORNEYS AT LAW



Page 4

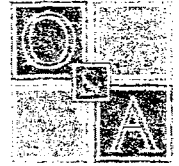
July 25, 2008

- On May 26, 2004, \$225,300.00 was provided to O'Hara as contributions to The Ethical Foundation.
- By July 22, 2004 (within four weeks of receiving this money), O'Hara spends \$150,000.00.
- After initial money was deposited, O'Hara focuses on obtaining additional \$20,000,000.00 from the Bronfman's, including contacting their trust attorney without their permission. O'Hara's purpose was to obtain and steal the money from the Bronfman's.
- \$125,000.00 of the initial deposit was transferred to SGS and TOGA, LLC. SGS had a corporate bank account at the M & T Bank which is headquartered in Buffalo, NY. Upon information and belief, this money was laundered through the M & T account of SGS and TOGA, LLC.
- In March 2005, an additional \$82,000.00 of stolen proceeds was wired to the SGS account for operating expenses.
- In August, 2005 O'Hara sends a check for \$232,607.00 to the NYS AG. The funds of this account were drained by O'Hara subsequent to sending the check to the AG.

Facts Supporting Grand Larceny from the Bronfmans that create a violation of the money laundering statute:

- On July 1, 2004, O'Hara executes two promissory notes for 1 million dollars a piece based on fraudulent Option to Purchase Real Estate Agreements.
- All paper work relating to the loans were prepared by O'Hara.
- O'Hara represented that he personally owned the lands that were used for collateral.
- O'Hara did not own these properties.
- With respect to Sara Bronfman, the parcel of land in Saratoga Springs, NY was owned by Properties Development and Management, Inc., an entity of O'Hara, and was subject to an undisclosed \$200,000.00 mortgage.
- With respect to Clare Bronfman, the parcel of land in New Baltimore, NY was not owned by O' Hara individually or any entity of O'Hara at the time the loan was executed. O'Hara purchased the land after receiving the loan proceeds.
- With respect to the initial 1 million dollars, some of the money was immediately wired to The Ethical Foundation and SGS Accounts. Again, this money was laundered through the SGS Account, upon information and belief, in Buffalo. Throughout July and August 2004, several wires were completed to the SGS account.

O'CONNELL AND ARONOWITZ
ATTORNEYS AT LAW



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Application of Facts to the Money Laundering Statute:

- O'Hara falsely induces the contributions from The Ethical Foundation and the Bronfman's individually.
- O'Hara takes the money he received under false pretenses and wires the money from The Ethical Foundation and his personal account to the SGS Account. Upon information and belief this money is placed in the corporate account of SGS maintained at M & T Bank in Buffalo.
- All Banking Transactions for any New York State Branch of M&T Bank are processed through Buffalo, New York.
- O'Hara acts with intent to continue the larceny to use the money for his personal and/or business account.
- The amount of the money is _____.
- O'Hara should be charged with _____.

This is a very complicated and complex statute with virtually no case law interpreting it. As we discussed, this statute was revised in November, 2000. In addition, the facts involving the fraud and larceny are complex, and required a significant amount of time to review records and parse out the relevant facts. This Memo is for the purpose of establishing jurisdiction of Erie County as requested by you. There is no question of the fraud or theft committed by Joe O'Hara. The only issue germane to this case is whether Erie County can obtain the necessary jurisdiction of Mr. O'Hara. Assuming the money stolen by Mr. O'Hara was placed in M&T Bank and processed in Buffalo, it appears that Erie County will have jurisdiction.

G:\DATA\ATTORNEY\Ars\Bronfman\mmbuffalo-as.doc

Exhibit 3

Other Corporations, Limited Liability Companies, Not-For-Profit Corporations, Partnerships, Unincorporated Business Entities, Foundations, Trusts, And Other Business Entities That May Be Related To NXIVM/ESP

- 26 Realty Property Management, LLC
- A Cappella Innovations, Inc.
- Aletheia LLC
- Alpha Development Group
- Axiology, Inc. (Nevada: March 18, 2008)
- Buyers Advocate, Inc. (Delaware: June 28, 1999)
- Center for Ethical Justice LLC (Delaware: October 7, 2007)
- Consumers Advocate, Inc.
- Consumers Buyline, Inc.
- Crosspoint Communication, Inc.
- Elite Housing Corporation
- Elite Marketing Professionals, Inc. (Delaware; August 26, 1999)
- Essence Interactive
- Athletics LLC
- Ethical Publishing LLC (Delaware: August 26, 1999)
- Ethical Value Exchange, Inc.
- Events for Humanity, Inc. (Delaware: November 2, 2007)
- Executive Housing & Properties, Inc. (Delaware: January 28, 2004)

- Executive Housing & Properties, Inc. (New York State: January 9, 2004)
- Executive Success Programs, Inc. (Delaware: July 20, 1998)
- Executive Success Programs, Inc. (New York State: May 6, 2002)
- Grow Sport, Ltd. (Great Britain)
- House of Equus LLC
- In Lak Ech
- International Center for Change, Inc. (New York State: October 14, 1992)
- J. Cricket LLC
- JM Tax Consulting
- Jness
- Karmar
- Krunch Corporation
- Las Casitas Rental
- Moving Pix LLC
- My Home, Inc.
- Nataraja Center for Movement Arts
- NXIVM Corporation (Puerto Rico: October 25, 2005)
- NX Trust
- Occam's Razor LLC
- Our Evolution LLC
- Peak Physique, Inc.
- PERSENSEO, Inc. (Delaware)
- POIESIS, Inc.

- Precision Development, LLC (Nevada)
- Rainbow Cultural Garden, Inc. (Delaware: September 7, 2007)
- Remick Consulting (Delaware)
- Rochester Media Management LLC
- Signature Event Marketing Group
- Slate River Farm, Inc.
- Slate River Mobile LLC (Delaware)
- Slate Sista Farm LLC
- Spirit@19, Inc. (Delaware)
- Sunshine Properties LLC
- The Art of Movement, Inc. (Delaware: April 12, 2004)
- The Athletics Foundation
- The Dalai Lama Trust
- The Ethical Foundation, Inc. (Fictitious)
- The Ethical Foundation, Inc. (Massachusetts: January 22, 1979)
- The Ethical Humanitarian Foundation
- The Ethical Science Foundation (Delaware)
- The First Foundation, Inc.
- The Raniere Group, Inc. (Delaware: April 12, 1994)
- The Think Fund, Inc. (Nevada: October 10, 2001)
- The World Ethical Foundations Consortium
- Truth LLC (Delaware: August 23, 2007)

- Ultima ® (New York State: May 6, 2008)
- Veinte Seiz LLC f/k/a Blue Skies LLC
- Veinte Siete LLC f/k/a Charly's Wings LLC
- Village Hall LLC
- Whare LLC
- World Audience Productions LLC

Exhibit 4

Other Individuals Who May Have Participated In Tortious And/Or Illegal Activities – And/Or Who May Have Benefitted Financially From The Operations Of NXIVM/ESP And/Or Other NXIVM/ESP-Related Business Entities

Based upon information and belief, there are numerous other individuals who have (a) assisted NXIVM/ESP and/or other named and to-be-named Defendants with respect to a variety of tortious and/or illegal activities – and/or (b) benefitted financially from the operations of the various NXIVM/ESP-Related Business Entities. Although many of these individuals will be identified during the course of discovery with respect to this lawsuit, the following individuals have already been identified as likely members of one or both of those groups:

- Karen Abney
- Vera Alvarez del Castillo
- Anthony N. Ames a/k/a/ “Nippy”
- Vera Autrey Da Costa
- Lisa Barwise
- Wayne J. Bates
- Kimberly A. Beekman
- Matthew A. Beekman
- Barbara M. Bell
- Jose A. Beltran
- Michael L. Bennett
- Carole L. Bergeron
- Shaun D. Bergeron
- Alexander (Alejandro) Betancourt Lesdesma
- Edgar Boone

- Omar Boone
- Christopher K. Bowcutt
- Charmel A. Bowden
- Luis Miguel Boy
- Anna B. Boyce
- Sally G. Brink
- Crystal Brooks
- Kim Busby
- Victor Diego Cadena Boone
- Pamela A. Cafritz
- Roberto Cardenas
- Jack Casey
- Claudia Castañeda
- Cedric F. Celik
- Esther L. Chiappone/Carlson
- Tracy Christopher
- Sean R. Claesgens
- Lorri E. Clark
- Christine Collins
- Pam Cooley
- Sean H. Craney
- Stephen P. Dautell

- James J. DelNegro
- Katie L. Deming
- Lisa A. Derks
- Marvin W. Derks
- Jeff T. DeWeese
- Jennifer A. DeWeese
- Lisa Derks
- Marvin Derks
- Franca DiCrescenzo
- J. Mark Drexel
- Dazzle Ekblad
- Peter S. Fallon
- Hector Fernandez
- Adrianna Fernandez
- Brendan J. Flanigan
- Rebecca (“Becky”) C. Freeman
- Loretta Garza Davila
- Katharine W. Gibson
- Mark Hildreth
- Allison N. Hlas
- Siobhan J. Hotaling
- Wende Irick
- Barbara Jeske

- Edward Kinnun
- Kristin Laura Kreuk
- Rick Ley
- Silvia Lloyd
- Lorraine Loshin
- Milton Loshin
- Allison Mack
- Patrick Maloney
- Virginia (Ginger) McIntosh
- Eugene M. McLaughlin
- Matthew J. McMorris
- Dawn Morrison
- Megan Mumford
- Ivy Nevares
- Adrianna Nienow
- Steven T. Ose
- Sandy
- Sarah Peters
- Jim Raniere
- Sydney Raniere
- Farouk Rojas
- Wendy Rosen-Brooks

- Kathy Russell a/k/a “Sage”
- Emiliano Salinas Occelli
- Lauren R. Salzman
- Michael A. Salzman
- Michelle D. Salzman
- Angelo F. Scaturro
- Angel P. Smith
- Michael Sutton
- Alissa S. Taft
- Michele J. Tarzia
- Karen A. Unterreiner a/k/a “Gozer”
- Juliana Vicente
- Mark A. Vicente
- Antonio (Tony) Zarattini

Adrian Fdz, Aria Fdz...bring in the under age illegals - No #'s

Just a thought ...Lisa Barwise 5218...I think her son is Keith's son..brings in London

Exhibit 5

**Lawsuits – And Other Legal Actions – Initiated By NXIVM/ESP And/Or By
NXIVM/ESP-Related Parties**

I. Introduction

Since March of 2003, NXIVM Corporation f/k/a Executive Success Programs, Inc. and d/b/a Executive Success Programs (“NXIVM/ESP”) has initiated numerous lawsuits against individuals and other entities that have been critical of the organization and/or its co-founders, Keith A. Raniere a/k/a Vanguard (“Raniere/Vanguard”) and Nancy L. Salzman a/k/a Prefect (“Salzman/Prefect”). Many of these lawsuits share some common characteristics, including the following:

- They generally involve multiple causes-of-action;
- There are often multiple plaintiffs;
- There is often confusion as to which NXIVM/ESP-related entity is actually the plaintiff in the lawsuit because of the fact that there are multiple corporations with the same name – and multiple corporations with similar names;
- There is often a requests for a Temporary Restraining Order, a Preliminary Injunction and/or some other form of extraordinary relief at the outset of the lawsuit;
- The original Complaint is often amended to include additional causes-of-action;
- There is often a request to seal various filings under the guise that the information contained in those filings is “confidential and proprietary”;
- There is often a request for substitution of counsel, a request for a change-of-venue, and/or some other delaying techniques;
- NXIVM/ESP’s attorneys file numerous motions – and request numerous hearings – throughout the litigation, thereby forcing the other party/parties to incur extensive legal fees;
- NXIVM/ESP’s attorneys file numerous and duplicative demands for documents and records throughout the litigation, thereby forcing the other party/parties to incur extensive legal fees – and to expend great amounts of time, effort and money to produce copies of materials (Note: Many of the requested documents and records are irrelevant to the lawsuit – and/or are already in NXIVM/ESP’s possession);
- NXIVM/ESP’s attorneys subpoena numerous non-party witnesses for depositions and records – including many who have no knowledge of any issue that is related to the

lawsuit (Note: These appear to be “fishing expeditions” for documents and/or information that NXIVM/ESP will be able to use in other lawsuits);

- NXIVM/ESP often does not call the non-party witnesses that it has deposed to testify at the trial;
- Attempts are sometimes made to intimidate witnesses – and/or potential witnesses – for the other party/parties;
- Many of NXIVM/ESP’s filings take place just prior to the applicable deadline for same; and
- Cases are co-mingled as NXIVM/ESP’s attorneys try to use the discovery process in one case to obtain evidence and/or information for use in other cases.

In conjunction with several of the lawsuits that it has initiated, NXIVM/ESP has also filed complaints – and/or initiated administrative actions – against the opposing party/parties. This has included attempts to have business-related permits and/or professional licenses suspended or revoked.

In several instances, NXIVM/ESP has also sought to have criminal charges brought against the opposing party/parties. In doing so, NXIVM/ESP has had direct contact with agencies such as the Federal Bureau of Investigation (“FBI”) and the New York State Police – and used lobbyists and former politicians to intervene with investigatory and prosecutorial agencies such as State Attorneys General and local District Attorneys.

Based on its actions to date, it appears that one of the primary objectives of all of NXIVM/ESP’s legal and extralegal activities is to silence its critics and potential critics. In many instances, this has involved motions for Temporary Restraining Orders and Preliminary Injunctions that are based on the “Confidentiality Agreement” that everyone who attends a NXIVM/ESP training course is required to sign.

In addition to arguing that its “Confidentiality Agreement” precludes anyone from disclosing its “trade secrets”, its “copyrighted materials”, and its “confidential and proprietary information”, NXIVM/ESP has also argued that anyone who signs one of its “Confidentiality Agreements” is precluded from ever saying anything about the organization, its leaders, and its members. This attempt on the part of NXIVM/ESP to turn its “Confidentiality Agreement” into a cloak of silence was recently struck down by the United States Bankruptcy Court for the Western District of Washington, which included the following paragraph in its Decision & Order:

“NXIVM argued for an expansive definition of the term “Training” in the Confidentiality Agreement that would cover anything related to NXIVM’s business. As discussed, infra, the Court does not agree with NXIVM’s interpretation of that term. The Court construes the term “Training” to relate to information provided to students by NXIVM instructors and contractors during formal classes and Instructions. In a similar vein, by signing the Intensive Program Application, a NXIVM student agrees to certain “Student Terms and

Conditions,” including an agreement that the “materials, methods and information” are confidential and proprietary assets of Executive Success Programs and NXIVM. As with the Confidentiality Agreement, the Court construes the phrase “materials, methods and information” relatively narrowly to encompass only that NXIVM information provided in the ordinary course of Instruction or Training. It does not cover the entire scope of information about NXIVM, its business or its agents and affiliates (emphasis added).”

II. Lawsuits Initiated By NXIVM/ESP And/Or By NXIVM/ESP-Related Parties

The lawsuits that have been initiated by NXIVM/ESP – and/or by NXIVM/ESP-related parties – include, but are not necessarily limited to, the following:

- **NXIVM Corporation, f/k/a Executive Success Programs, Inc., and First Principles, Inc. v. Morris Sutton, Rochelle Sutton, The Ross Institute, Rick Ross a/k/a “Ricky” Ross, Stephanie Franco, Paul Martin, PhD., and Wellspring Retreat, Inc.**
 - Court: U.S. District Court for the District of New Jersey
 - Case Number: 06-CV-01051
 - Filing Date: March 1, 2003
 - Causes-of-Action Per the Amended Consolidated Complaint (April 19, 2005):
 - Misappropriation of Trade Secrets
 - Product Disparagement (Dismissed)
 - Breach of Contract (RE: Stephanie Franco)
 - Interference With Contractual Relations
 - Interference With Prospective Contractual Relations
 - Copyright Infringement
 - Status: Pending
 - Notes:
 - The NXIVM Corporation that is the Plaintiff in this case is a Delaware corporation that was established on July 20, 1998 in Delaware.
 - This case was originally filed in the U.S. District Court for the Northern District of New York on March 1, 2003. At that time, Kevin Luibrand/Luibrand Law Firm, PLLC and Arlen L. Olsen/Schmeiser, Olsen & Watts LLP represented NXIVM/ESP. They were later replaced by Justin A. Heller/Nolan & Heller LLP.

- At the time this case was filed, the presiding judge, Thomas J. McAvoy, denied NXIVM/ESP's request for the issuance of a Temporary Restraining Order against Ross and The Ross Institute on procedural grounds. Thereafter, Judge McAvoy also denied NXIVM/ESP's request for the issuance of a Preliminary Injunction against Ross and The Ross Institute on substantive grounds.
- NXIVM/ESP appealed the denial of the Preliminary Injunction to the U.S. Court of Appeals for the Second Circuit – and lost that appeal (Note: NXIVM/ESP was represented by Justin Heller/Nolan & Heller LLP in this appeal). Thereafter, NXIVM/ESP appealed the Second Circuit's decision to the United States Supreme Court which denied certiorari (Note: NXIVM/ESP was represented by Carter Phillips/Sidley Austin LLP in this appeal).
- Upon the retirement of Judge McAvoy, this case was re-assigned to U.S. District Court Judge Gary L. Sharpe.
- Following the disclosure of the analytic report concerning Ross that had been prepared for NXIVM/ESP by Interfor, Inc. ("Interfor"), Ross initiated several counterclaims against NXIVM/ESP, Interfor, Juval Aviv ("Aviv"), Raniere/Vanguard, Salzman/Prefect, and Kristin Keeffe ("Keeffe"). Thereafter, Ross resolved his claims against Interfor and Aviv for an undisclosed amount (Note: Interfor and Aviv have apparently remained parties in this lawsuit with respect to their claims for reimbursement from NXIVM/ESP for the amount that they paid to settle Ross's claims – and for their attorney's fees).
- This case was moved to the U.S. District Court for the District of New Jersey with the consent of all parties in March 2006.
- At the present time, the following attorneys are involved in this case:
 - ❖ William B. McGuire, Grant W. Maguire, and Richard A. Ulsamer/Tompkins McGuire Wachenfeld & Barry, LLP represent Plaintiffs NXIVM Corporation and First Principles, Inc. – and Counter-Claim Defendants NXIVM Corporation and Salzman/Prefect (Note: They replaced Justin A. Heller/Nolan & Heller LLP).
 - ❖ Robert D. Crockett, Joan E. Karn, and John M. Falzone/Latham & Watkins LLP represent Counter-Claim Defendant Keeffe.
 - ❖ Robert M. Leonard/Drinker Biddle & Reath LLP represents Counter-Claim Defendant Raniere/Vanguard.

- ❖ Anthony Sylvester and Harold L. Kofman/Riker, Danzig, Scherer, Hyland & Perretti, LLP represent Defendants Stephanie Franco, Morris Sutton, and Rochelle Sutton.
- ❖ Peter L. Skolnik, Douglas Brooks, and Thomas Steven Dolan/Lowenstein Sandler PC represent Defendants Ross, The Ross Institute, Wellspring Retreat, Inc., and Paul Martin (Deceased) – and Counter-Claim Plaintiff Ross (Note: Thy replaced Thomas F. Gleason/ Gleason Dunn Walsh & O’Shea).
- ❖ Robert S. Landy, Robert J. Lack, and Benjamin S. Holzer/Friedman, Kaplan, Seiler & Adelman, LLP represent Counter-Claim Defendants and Cross-Claim Plaintiffs Aviv and Interfor.
- ❖ Philip Elberg/Medvin & Elberg (*Pro Bono*) represents Non-Party Witness Barbara J. Bouchey (“Bouchey”).
- ❖ David Pikus/Bressler Amery and Ross, PC represents Non-Party Witnesses Aaron Kassin and Lesley Kassin.
- ❖ Frank P. Arleo represents Non-Party Witnesses David Mandelbaum, Jeffrey Sutton, and Daniel Betesh.
- ❖ Christopher Kinum/Critchley and Kinum represents Non-Party Witness Michael Sutton.
- ❖ Randall Rainer/Wollmuth Maher & Deutsch, LLP represents Non-Party Witness Edgar M. Bronfman, Sr.

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- **NXIVM Corporation, Executive Success Programs, Inc., Alex Betancourt, Barbara Bouchey, Clare W. Bronfman, Edgar Boone, Ellen Gibson, Sara R. Bronfman, Pamela Cafritz, Suzanne Kemp, Wayne Bates, Luis Montes and Franca DiCreensenzo v. Joseph J. O’Hara, Douglas Rutnik, and Denise F. Polit**
 - Court: U.S. District Court for the Northern District of New York
 - Case Number: 1:05-CV-1546
 - Filing Date: August 18, 2005
 - Causes-of-Action
 - RICO Civil Action
 - RICO Conspiracy

- Fraud
 - Breach of Fiduciary Duty Against NXIVM
 - Breach of Fiduciary Duty Against Bronfman Sisters
 - Malpractice
 - Breach of Contracts
 - Unjust Enrichment
- Status: This lawsuit was settled in September 2007 – but may be re-opened via the Adversary Proceeding that Clare W. Bronfman and Sara R. Bronfman (“the Bronfman sisters”) have initiated in the pending bankruptcy case of Joseph J. O’Hara (“O’Hara”).
- Notes:
- After their request for a Preliminary Injunction – and other extraordinary relief – was denied by U.S. District Court Judge Gary L. Sharpe, the Plaintiffs immediately dismissed this action, without prejudice, and re-filed it in Supreme Court for the State of New York, New York County (Note: The filing of this dismissal in Albany, NY – and the re-filing of the same lawsuit in New York City – occurred less than thirty (30) minutes after Judge Sharpe’s ruling against the Plaintiffs). Thereafter, at the defendants’ request, the case was removed to the U.S. District Court for the Southern District of New York – and, with Judge Sharpe’s approval, remanded back to the U.S. District Court for the Northern District of New York on or about December 9, 2005.
 - In conjunction with the settlement of this lawsuit, the Bronfman sisters exercised their options with respect to two (2) undeveloped parcels of land that were owned by O’Hara and/or one of his companies. In addition, they also took over control of The Ethical Foundation, Inc., a not-for-profit entity that had cash assets of approximately \$235,000 at the time it was transferred to them.
 - As a result of the expenses that he incurred in conjunction with this lawsuit, O’Hara was forced to file for bankruptcy. In this regard, his Chapter 7 bankruptcy case is still pending.
 - The following attorneys and law firms were involved in this matter:
 - ❖ Judd Burstein/Judd Burstein PC originally represented all of the Plaintiffs in this matter.

- ❖ Douglas C. Rennie, Peter J. W. Sherwin, and Scott A. Eggers/Proskauer Rose LLP replaced Judd Burstein PC on or about February 9, 2006.
 - ❖ Donald T. Kinsella replaced Proskauer Rose on or about February 5, 2011.
 - ❖ Paul J. Yesawich III and David J. Edwards/Harris Beach PLLC replaced Proskauer Rose on or about February 27, 2007.
 - ❖ William J. Dreyer and James J. Peluso/Dreyer Boyajian LLP represented O'Hara and Denise F. Polit.
 - ❖ Douglas R. Kemp/Vicente Law Firm PC – and F. Douglas Novotny/Wilson Elser Law Firm – represented Douglas P. Rutnik.
 - ❖ Peter L. Skolnik/Lowenstein Sandler PC represented Non-Party Witness Rick Ross.
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- **Precision Development LLC v. Yuri Plyam, Mikhail Plyam, and Castle Asset Management LLC**

- Court: California Superior Court for the County of Los Angeles
- Case Number: BC 384285
- Filing Date: January 24, 2008
- Status: A verdict for \$10,100,000 – plus an additional \$200,000 of punitive damages – was rendered on April 15, 2011 in favor of Precision Development LLC (“Precision”). Since that time, the Defendants have filed a Notice of Appeal – and are in the process of filing an appeal.
- Causes-of-Action:
 - Breach of Fiduciary Duty
 - Conversion (Note: This cause-of-action was dropped prior to the trial)
- Notes:
 - Precision is a Nevada limited liability company that was established in 2005 – and that was originally owned, on a 50%/50% basis, by Yuri Plyam and Nancy Salzman (“Salzman”). In January 2008, the ownership of the company was changed to the following: one-third by Yuri Plyam; one-third by Salzman; and one-third by the Bronfman sisters. Later, Salzman reportedly transferred her one-third share to the Bronfman sisters.

- Mikhail Plyam, Yuri Plyam's father, was originally a named Defendant in this lawsuit but the claims against him were withdrawn, without prejudice, just prior to the start of the trial. As a result of the expenses that he incurred in conjunction with this lawsuit, Mikhail Plyam was forced to file for Chapter 7 bankruptcy (Note: He received a discharge from his bankruptcy case on June 7, 2011).
 - Castle Asset Management LLC ("Castle Asset Management") is a Nevada limited liability company that was established in 2002 by Yuri Plyam (Note: In January 2008, Yuri Plyam transferred 66% of this company to the Bronfman sisters). Castle Asset Management was originally a named Defendant in this lawsuit but the claims against it were withdrawn, without prejudice, just prior to the start of the trial.
 - The following attorneys and law firms have been involved in this matter:
 - ❖ Ford Greene originally represented Yuri Plyam, Mikhail Plyam, and Castle Asset Management.
 - ❖ Dennis Riley/Mesisca Riley & Kreitenberg LLP replaced Ford Greene – and represented Yuri Plyam, Mikhail Plyam, and Castle Asset Management.
 - ❖ Robert D. Crockett/Latham & Watkins LLP represents Precision.
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- **NXIVM Corporation, a New York Corporation v. Rick Ross a/k/a Ricky Ross d/b/a Ross Institute or Rick A. Ross Institute of New Jersey, Morris Sutton, Rochelle Sutton and Lollytogs, Ltd.**
 - Court: U.S. District Court for the Western District of New York
 - Case Number: 2:11-cv-06288
 - Filing Date: March 1, 2009
 - Causes-of-Action:
 - Product Disparagement
 - Product Disparagement – Punitive Damages
 - Prima Facia Tort
 - Injunction
 - Defamation

- Defamation – Punitive Damages
- Conspiracy To Commit Product Disparagement
- Conspiracy To Commit Product Disparagement – Punitive Damages
- Tortious Interference With Prospective Business Advantage
- Tortious Interference With Prospective Business Advantage – Punitive Damages
- Conspiracy To Commit Tortious Interference With Prospective Business Advantage
- Conspiracy To Commit Tortious Interference With Prospective Business Advantage – Punitive Damages
- Conspiracy With Metroland Magazine, Inc. To Commit Product Disparagement, Prima Facie Tort, Defamation, And Tortious Interference With Prospective Business Advantage
- Conspiracy With Metroland Magazine, Inc. To Commit Product Disparagement, Prima Facie Tort, Defamation, And Tortious Interference With Prospective Business Advantage – Punitive Damages

➤ Status:

- This case was closed in the U.S. District Court for the Western District of New York – and transferred/remanded to the U.S. District Court for the District of New Jersey – on November 1, 2011. In this regard, it is expected that this case will be combined with the original lawsuit that NXIVM/ESP had filed against the same Defendants back in 2003.

➤ Notes:

- Based on the way in which the pleadings were styled, it appears that the Plaintiff in this case is actually a separate legal entity from the NXIVM Corporation plaintiff that brought the original lawsuit against Rick Ross et al back in 2003: i.e., the NXIVM Corporation that is involved in the original lawsuit is a Delaware corporation whereas the NXIVM Corporation that is involved in this case is a New York State corporation. In this regard, it is believed that there are at least three (3) separate legal entities with that same exact name: i.e., the above-referenced Delaware corporation, the above-referenced New York State corporation, and a third corporation that was established in Puerto Rico.
- This case was originally filed in the New York State Supreme Court, Niagara County, on March 5, 2009 (Docket No. 136383-09).

- NXIVM Corporation, the Plaintiff in this lawsuit, claimed that its principal place of business is located at 345 Buffalo Avenue in Niagara Falls, NY 14303, which is the same address that NXIVM Corporation utilized when it sued the Metroland newspaper on March 12, 2009 (Note: Both lawsuits were filed in New York State Supreme Court, Niagara County).
 - On April 9, 2009, Defendants Morris Sutton and Rochelle Sutton (“the Suttons”) moved to have the case removed from the New York State Supreme Court, Niagara County, to the U.S. District Court for the Western District of New York. The Suttons were represented by David C. Brock, Esq., 12 Fountain Plaza, Suite 800, in Buffalo, NY 14202-2292.
 - It appears that none of the Defendants in this matter were served with a Summons and Complaint with respect to the original action in New York State Supreme Court.
 - Keeffe, who identified herself as “an officer of NXIVM Corporation”, verified the Complaint in this matter.
 - The following attorneys and law firms were involved in this matter:
 - ❖ John P. Bartolomei/Bartolomei & Associates PC represented Plaintiff NXIVM Corporation.
 - ❖ William F. Savino and Gregory Zini/Damon Morey represented Plaintiff NXIVM Corporation.
 - ❖ Anthony Sylvester and Harold L. Kofman/Riker, Danzig, Scherer, Hyland & Perretti, LLP represented Defendants Rochelle Sutton and Morris Sutton.
 - ❖ David G. Brock, Esq., 12 Fountain Plaza, Suite 800, in Buffalo, NY 14202-2292, represented Morris Sutton, Rochelle Sutton, and Rick Ross.
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- **NXIVM Corporation v. Metroland**

- Court: Supreme Court for the State of New York, Niagara County
- Case Number: 136445
- Filing Date: March 12, 2009
- Causes-of-Action:
 - Product Disparagement

- Prima Facie Tort (Intending To And Succeeding In Causing Harm)
 - Defamation
 - Interference With Prospective Business Advantage
 - Conspiracy
- Status: This lawsuit, which included claims totaling \$65 million, was dismissed because NXIVM Corporation sued the wrong corporate Defendant – and because the statute-of-limitations had ran out before it could initiate a lawsuit against the correct corporate Defendant.
- Notes:
- It appears that the NXIVM Corporation that was the Plaintiff in this lawsuit was the New York State corporation by that name.
 - In conjunction with the filing of this lawsuit, NXIVM Corporation claimed that its principal place of business is located at 345 Buffalo Avenue in Niagara Falls, NY 14303, which is the address of a building that is owned by John P. Bartolomei.
 - The following attorneys and law firms were involved in this matter:
 - ❖ John P. Bartolomei/Bartolomei & Associates represented NXIVM Corporation.
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• **Clare W. Bronfman and Sara R. Bronfman v. Barbara J. Bouchey Et Al**

- Court: California Superior Court, Los Angeles County
- Case Number: BC 43259
- Filing Date: February 25, 2010
- Status: This case was stayed because of the Chapter 11 bankruptcy filing by Barbara J. Bouchey (“Bouchey”) on June 11, 2010 – and, ultimately, dismissed in conjunction with that bankruptcy.
- Notes:
- Many of the claims that were set forth in this lawsuit are repeated in the lawsuit that the Bronfman sisters filed against Bouchey on May 27, 2011 in the Supreme Court for the State of New York, Albany County.
 - The following attorneys and law firms have been involved in this matter:

- ❖ Robert D. Crockett/Latham & Watkins LLP, represented the Bronfman sisters; and
 - ❖ Nathan Goldberg/Allred Maroko Goldberg represented Bouchey.
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- **Nancy Salzman v. Continental Airlines**

- Court: U.S. District Court for the Northern District of New York
 - Case Number: 1:10-cv-01209
 - Filing Date: August 19, 2010
 - Causes-of-Action:
 - Breach of Contract
 - Negligence
 - Fraud
 - Conversion
 - Deprivation of Rights
 - Estoppel During settlement Negotiations
 - Status: This case was dismissed by Judge Gary W. Sharpe on September 29, 2011. Since that time, Salzman/Prefect has filed a Notice of Appeal that indicates she intends to appeal Judge Sharpe's ruling to the U.S. Court of Appeals for the Second Circuit.
 - Notes:
 - Salzman/Prefect represented herself on a *Pro Se* basis in this matter through the date of the initial decision.
 - Andrew R. Safranko/O'Connell & Aronowitz is now representing Salzman/Prefect in this matter.
 - Continental Airlines is represented by George P. McKeegan/McKeegan, Shearer Law Firm in this matter.
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- **Clare W. Bronfman and Sara R. Bronfman v. Frank R. Parlato, Jr. and Johnston & Peach, Inc.**

- Court: Supreme Court for the State of New York, Niagara County
 - Case Number: N/A
 - Filing Date: February 15, 2011
 - Status: Pending (Note: The Complaint concerning this matter has apparently never been served on the Defendant).
 - Notes:
 - This action is apparently related to the \$1,000,000 fee that the Bronfman sisters paid to Frank J. Parlato, Jr. ("Parlato") in conjunction with his work concerning Precision Development LLC's real estate development project in Los Angeles, CA.
 - William F. Savino/Damon Morey is the attorney-of-record for Plaintiff NXIVM Corporation with respect to this matter.
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- **NXIVM Corporation v. Barbara J. Bouchey**

- Court: Supreme Court for the State of New York, Albany County
- Case Number: Index No. 3714-1
- Filing Date: May 27, 2011
- Causes-of-Action:
 - Breach of Contract
 - Breach of Fiduciary Duty
 - Tortious Interference With Third Party Contracts
 - Conversion/Unauthorized Possession
 - Misuse, Misappropriation And/Or Improper Disclosure Of Protected Trade Secrets
- Counterclaims:
 - Breach of Contract
 - Fraud, Conversion and Conspiracy

- Tortious Interference of Business
 - Status: Pending
 - Notes:
 - NXIVM/ESP is being represented by Pamela A. Nichols and Joshua E. McMahon/O'Connell & Aronowitz in this matter.
 - Bouchey is acting *Pro Se* in this matter.
 - Many of the allegations that are set forth in this lawsuit are the same as the allegations that were part of the Adversary Proceeding that NXIVM/ESP filed against Bouchey in conjunction with her Chapter 11 bankruptcy case. It also, however, contains several new allegations – especially with respect to her alleged interference with NXIVM/ESP's contractual relationships with several former members.
 - Clare W. Bronfman is the person who verified the "Complaint" on behalf of NXIVM/ESP in this lawsuit.
 - This is a companion lawsuit to the one that was filed against Bouchey by the Bronfman sisters in the same court on the same date. In this regard, both of those lawsuits are being presided over by Judge Roger D. McDonough.
 - In her counterclaims, Bouchey makes the following assertions:
 - ❖ She was a 1099 Independent Contractor/Salesperson for NXIVM/ESP; and
 - ❖ NXIVM/ESP agreed to pay her "a certain percentage commission".
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- **Clare W. Bronfman and Sara R. Bronfman v. Barbara J. Bouchey and Barbara J. Bouchey Asset Management, Inc.**

- Court: Supreme Court for the State of New York, Albany County
- Case Number: 3715-11
- Filing Date: May 27, 2011
- Causes-of-Action:
 - Breach of Fiduciary Duty (For Injunctive Relief)
 - Breach of Contract (For Injunctive Relief)

- Breach of Fiduciary Duty – For Monetary Damages
- Breach of Contract – For Monetary Damages

➤ Status: Pending

➤ Notes:

- The Bronfman sisters are being represented by William F. Savino and Gregory Zini/Damon Morey LLP in this matter.
- Many of the allegations that are set forth in this lawsuit are the same as the allegations that were part of the lawsuit that the Bronfman sisters filed against Bouchey in the Superior Court for Los Angeles County on February 25, 2010: i.e., *Bronfman v. Bouchey*: Docket BC 432595. It also, however, contains several new allegations – especially with respect to Bouchey’s interactions with the media and her disclosure of confidential financial information to third parties.
- Clare W. Bronfman is the person who verified the “Complaint” in this lawsuit.
- This is a companion lawsuit to the one that was filed against Bouchey by NXIVM/ESP in the same court on the same date. In this regard, both of those lawsuits are being presided over by Judge Roger D. McDonough (Note: Judge McDonough also presided over the lawsuit that Sitrick & Company filed against NXIVM/ESP on April 27, 2009: i.e., *Sitrick & Company v. NXIVM Corporation*).

- **Precision Development LLC v. Yuri Plyam, Natalia Plyam, Anna Logvin, and Castle Trading, Inc**

- Court: California Superior Court for the County of Los Angeles
- Case Number: BC 465613
- Filing Date: July 18, 2011
- Status: Pending
- Causes-of-Action:
 - Fraudulent Transfer of Property
 - Breach of Fiduciary Duty

- Conspiracy to Breach Fiduciary Duty
- Notes:
 - Anna Logvin is Natalia Plyam's mother.
 - Castle Trading, Inc. is a California corporation that was incorporated in January 2001 in California – and that is owned by Yuri Plyam.
 - The following attorneys and law firms have been involved in this matter:
 - ❖ Dennis Riley/Mesisca Riley & Kreitenberg LLP represents Yuri Plyam, Natalia Plyam, Anna Logvin, and Castle Trading, Inc.
 - ❖ Robert D. Crockett/Latham & Watkins LLP represents Precision.

III. Administrative Actions Filed BY NXIVM/ESP And NXIVM/ESP-Related Entities

In addition to the lawsuits outlined above, NXIVM/ESP and NXIVM/ESP-related entities have filed various complaints and/or administrative actions against individuals that have been critical of the organization, Ranieri/Vanguard and/or Salzman/Prefect. These have included, but not necessarily been limited to, the following:

- **RE: Barbara J. Bouchey**
 - Complaint filed with the Certified Financial Planner Board of Standards, Inc. (<http://www.cfp.net/>)
 - Status: Dismissed
- **RE: Toni Natalie**
 - Complaint filed with the New York State Liquor Authority/Division of Alcoholic Beverage Control
 - Status: Dismissed
- **RE: Joseph J. O'Hara**
 - Complaint filed with the District of Columbia Bar (Bar Docket No. 2010-D2)
 - Status: Pending
- **RE: Yuri Plyam**
 - The Bronfman sisters filed complaints with the National Futures Association (NFA) – and the U.S. Commodity Futures Trading Commission (CFTC).

- Status: Both of these complaints were denied because the Bronfman sisters never had any trading accounts with Mr. Plyam. In this regard, it should be noted that the Bronfman sisters “loaned” approximately Sixty-five Million Dollars (\$65,000,000) to First Principles, Inc. in order to cover Raniere/Vanguard’s losses in the commodities account that had been established in that entity’s name.
- **RE: Rick Ross**
 - Representatives of NXIVM/ESP apparently met with the then-California Attorney General Jerry Brown – and the then Los Angeles Mayor Antonio Villaraigosa – to discuss alleged financial improprieties on the part of The Rick Ross Foundation, a not-for-profit entity. No indictments resulted from these meetings.
 - Status: It appears that no action was ever undertaken with respect to this complaint.